June 7, 1949

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The Reporter

A fortnightly of facts and ideas

Price 25 cents.



OF
ALIFORNIANS
O GAVE THEIR LIVES
IN THE
VORLD WAR
1914 - 1918

The baccalaureate season: Capped and gowned, and with sheepskins in hand, new graduates leave a University of California commencement

The Reporter

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Dear Reader:

A fortnight ago we were talking about the thematic approach: about how some readers liked it a lot while others were more reserved, preferring to wait and see how the idea worked out; and about our deep-seated feeling that Americans are tired of being told a little bit about everything, disjointedly, after the manner of newspaper headlines.

We said that our theme would not necessarily be a "problem"; that it might deal with people and regions and communities, and be communicated through a series of apparently unrelated articles. You will note that in this issue we have attempted the latter approach

There is a thread running through this issue, and the fact that it is not an obvious, 10-gauge thread makes it in some ways even more important.

For example, we report on the problems and perplexities of three U. S. cities, each coping as best it can with difficulties that have much in common, to be sure, but that cannot be resolved by anything that "big government" in Washington does. Each city is at a different stage in working out its salvation, but the fact that one of them is well on the road to success seems to indicate that the other two—that almost any city with a problem—can pull through, given enough citizens of the right kind.

Then we have portraits of two men from Chicago; the thread between the two is not that they live and work in Chicago, but rather that they have both been given great power—and have used it quite differently.

Meantime, the thread between *The Reporter* and its readers grows and becomes stronger. Most of those who have sent in questionnaires and letters since the last report in this column noted a definite, progressive improvement—in the art, in the quality of the writing, in the handling of the theme.

Several readers wanted to know why we didn't use a particular region for a theme from time to time. As it happens, we have had in the works for some time just such an issue. It will be the next one, Volume I, No. 5.

The Editors

The Reporter

A fortnightly of facts and ideas



Volume 1, No. 4

EDITORIAL.

The Theme

The Reporter turns to the United States. No magazine could tell the whole story of America at this juncture. But a reasonable prediction can be made about economic development. Some feeling for the country's strength and weakness can be gained by entering a city, examining an individual, pausing over a situation. The picture has to be incomplete. America cannot be caught, but it may be suggested, in single images.

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Spotlight on America



"The obscurest epoch," said R. L. Stevenson, "is today." The obscurest country, if we may shift the paradox, is our own. The United States is all around us; its map is as familiar as our right hand; its people, with all their accents, speak our own tongue. But who can say that the United States is really known to him—that he can see it wholly and sense what it is about?

A Frenchman would resent a suggestion that there was anything obscure to him in his country, as an Englishman holds his native lands to be part of his blood and bone. These older societies, these stable, unitary states, contain a variety of manners; history has overlaid their present with rich meanings and remembrances, giving them a sort of depth in time. Yet there remains a oneness. The citizen of such a country feels that it, like the Kingdom of Heaven, is within him.

The United States is different, not only because of its expanse. When it was still a group of narrow seaboard colonies the seed of its diversity was planted. Afterward, the gift of an independent life was transmitted to new communities across the continent. America became a nation, but the separate parts were never really fused. The variety of Europeans who came here, though merged into one people, never became the conglomerate mass

that the image of "melting pot" suggests. When all has been said and done, the citizen still stands in a sort of wilderness clearing, aware that others have settled around him, but even more aware of the forest that encloses him.

We have grown used to speaking of the economic and regional differences of the United States, with the differences in outlook which these imply. It is a commonplace of historical interpretation that the wheat-growing community, for example, with its predominantly national market, has looked upon the world with a different eye from that of the cotton-growing community, with its international interests and commitments. The member of a trade union, like the member of a professional or business group, sees through his particular lenses.

The success of our democracy is measured by its ability to bring these diverse interests into some sort of harmony—a moving equilibrium which thwarts none of them needlessly and gives each the fullest possible expression. Our political system, with its loosely organized parties and diffused responsibility, is keyed to a many-sided national life. Attempts to impose a stricter discipline and to achieve a more centralized authority are made from time to time; their more-or-less inevitable failure provides another proof of our political diversity.

When a President seeks to purge his party, or threatens to withhold patronage from dissenters, he is assailed by the press for being dictatorial or politically immoral. But it is not the use of patronage that disturbs us; and closely-knit, like-minded parties are not theoretically incompatible with democracy. The outraged cries of the press on these occasions are, at bottom, an instinctive defense of the kind of politics congenial to our decentralized social order. The moral disapprobation is a

cloak for something much deeper and wiser, a feeling which we have in our bones—that minorities of all kinds must be left with space to grow in and air to breathe.

Conflicting interests, divergent loyalties, are one side of the American coin. The other is the citizen himself: an individualist who undertakes nothing without forming a committee, a natural joiner who is never quite "taken in"; a passionate patriot to whom his country remains somewhat incomprehensible and remote.

Where, then, is the essential America to be found? In the war men felt that they were fighting for what was local and most personal in their experience—for the home town and the familiar main street, with the drugstore at the corner and the gas station where the buildings give way to open country. They had boasted inordinately of the country's size, and now their minds dwelt on a minute fragment; they had lived amid a crushing material uniformity, and they singled out some individual aspect as if nothing like it had ever existed.

The generation turned back to the home town when the conflict ended, some only for a sentimental journey, some to try to keep roots in an increasingly rootless world. The home town was indeed important, much more so than the new car which our advertising magnates had assured the soldiers was the real goal of their fighting, and more important than the slogans of freedom which well-meaning propagandists had devised. But somehow it still wasn't America.

Scholars and political scientists share the feeling that what is local must somehow contain the whole. From an insight into the importance which their countrymen attach to associations they shape new hypotheses to guide their research. The social structure of the small town has been examined in all its subtleties and ramifications. And now a student of industrial relations approaches the problem of labor-management disputes on the assumption that "a company or a union is a small society; it is a social organism." An analyst of college life goes into his subject in the same spirit. The college is "a veritable social matrix," a community developing a special set of customs and values.

Even in the midst of the emphasis on what is local, the search within each particle of our common life for some reflection of the total America, we are made aware of how much escapes being caught. America is not in any institution or group of institutions. It is as much motion as it is stability. It is to be found in the bare expanses of the plains as well as in the settled pin points of villages; in roads and bridges and railroads as well as in the destinations to which these lead.

The modern car beside the run-down shack, the garage seeming to dwarf the house it stands against, are outward symbols of the relative importance we attach to things. The American is, quite literally, at home on the road. He is never so much himself as when he appears to be getting away from himself, on the most endless and seemingly the most aimless of pursuits.

This sense of the free spirit of America is difficult to make articulate and meaningful. As a people, consequently, we fall back to an extraordinary degree on symbols and abstractions. America, we say, is in its Constitution, in its democracy, in its way of life. Yet the average citizen knows little about the actual working of the Constitution, and if he is asked about the American way of life he is apt to mutter something, awkwardly, about the number of telephones and bathtubs in use. Again, we imply that America consists in certain kinds of activities, and see to it that anyone engaged in un-American activities is immediately investigated.

The idea is strange—we can hardly imagine the European talking about un-French or un-Swiss activities; yet it is perhaps not so absurd as it sounds. It contains, in a deformed and perverted way, a basic insight. For what in truth holds America together, making a whole out of its divergent interests, keeping the friction of its parts

from becoming intolerable, is a certain way of dealing with one another.

The condition of our unity is that no one group be permitted to become dominant, that no pressure be allowed to push too far, that no interest become exclusive. Any cause may be promoted so long as it does not try to make itself unique, denying to other causes the chance to be heard and make themselves felt. The much-admired quality of bigness becomes, in this connection, a sign of danger and almost a conspiracy per se.

There are such things as un-American activities. These are not threats to the security of the state or dislovalty or treason in any ordinary sense. They are all those activities which make it impossible for citizens of different interests, ideas, and racial origins to live side by side, or make it unreasonably difficult for groups to adjust their differences by bargaining and compromise. Such activities cannot be banned by any code (even the guarantees of civil rights touch only part of them), and they cannot be entrusted for their maintenance to any single committee. But unless Americans react against them whenever they become prevalent, the whole basis of our national life is undermined.

America cannot be comprehended as a single whole; it cannot be discovered in any of its individual parts. And so we return to the obscurity that lies over it. What is happening to our country in this fourth year after the conclusion of the war? What transformations in our economy and our people have been brought about by our vast industrial effort, by our assumption of a world role? What is in sight for the future?

There can be no conclusive answers to such questions. What the mind grasps are isolated points here and there across the width of an immense continent, as if a moving spotlight rested its beam for one moment upon them. The spaces between remain dark. On the basis of what we know we construct theories and build hypotheses, filling in by imagination and insight the gaping blanks in our knowledge.

The politicians, for the most part, act as if no deep changes had occurred and no new energies been released by the events through which America has passed. The economists and social scientists are more sensitive to the possibility that some radical transformation

in the social substructure has taken place, which must ultimately be reflected in new pressures and in the framing of new laws. The journalist picks his way as best he can between the extremes, trying to stay close to the facts, yet realizing that the few facts he can gather tell but a small part of the story.

During the war we saw the political lives of nations obliterated by occupation. Men peered across the English Channel, which a short while before had scarcely been more than a narmy roadway, trying to make out what was going on in the mysterious heart of France; or with an almost desperate anxiety they looked northward across the Mediterranean. From France came messages brought out through the underground-fragmentary, local, and distorted; and, on the basis of these. men tried to reconstruct the whole mood and drift of the French people From those who made the dangerous escape they gathered bits of information, evaluated them, fitted them like pieces of a puzzle into the whole.

When we consider the vast hum of activity on the American continentthe deeds that are being done, the plans formed, the energies and hopes being expressed in tangible forms-our information seems almost as scanty and insufficient as the wartime intelligence officer's. Could we do better than to think of that information in terms of intelligence reports? A press dispatch from another state might have come by a precarious route through the underground—as eagerly seized on, and yet as necessarily limited and incomplete. The individual we interrogate might be from a country that we can only dimly see. The experience of a single town. the personality of a leader in some field. gives us the clue from which we must build the tentative and shifting image of America.

We shall not, if we think in this way, be able to say that we know everything there is to know. We cannot be sure that we are going to be right in our predictions. But, given a certain amount of audacity, we shall have everything required for the making of reasonable generalizations and the framing of workable laws. And we shall keepfor it is the greatest single element in our faith—a sense of America's unfathomable potentialities.

The Crash that Hasn't Happened

The mixed economy of the United States is protected by shock absorbers that make sudden disasters unlikely



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After the boom comes the bust: that is what nearly everybody believes, and the belief is all but hypnotic. The crash to follow the present boom has already been announced several times. Millions of people were supposed to be thrown out of work in the demobilization and reconversion period.

General collapse was supposed to follow the break in agricultural prices in February, 1948. Comparable disasters have been predicted for us since early this year. Fearfully, we have been enjoying the most widespread and soundest prosperity in our history.

Perhaps we would be less apprehensive if we kept in mind the record of successful "readjustment" (the economic word of the hour) that the United States has achieved since the end of the war. Fortunately we have been able to take on the readjustments one at a time. First there was reconversion, which is now ancient history. Then, prices for some goods began a salutary decline as early as December, 1947. Grain prices, for example, now stand 40 per cent lower than they were at the beginning of 1948. Employment has dropped in one industry after another, only to pick up in one after

Business has been doing very well so far this year. How it will go during the rest of 1949 depends, of course, on how much money is spent for goods and services by individual households, business units, and the Federal and state and local governments.

Individual consumers will probably not spend as much as they did last year, when the total purchase of goods and services was 177.7 billion dollars. For one thing, prices are lower than they were. For another, a small decline in personal incomes has set in this year. Besides, the deferred demand for certain goods that could not be obtained during the war is running out, though it is not yet exhausted. But none of these factors should lead to any catastrophic decrease in consumer spending. Incomes, though reduced, are still high; Americans still want to buy things in great quantities; and a huge kitty of liquid assets—about 230 billion dollars -remains in the hands of individuals.

If business should open real price wars this year, instead of the phoney price skirmishes that some are now conducting, the volume of consumer purchases might easily come close to last year's. Otherwise, the amount that households will spend in 1949 will probably not exceed 165 billion.

Economic surveys reveal that businessmen's spending, which amounted to 41.2 billion dollars last year, will fall to about 33 billion, with most of the decline appearing in the second half of the year. This was to be expected after the vast amount of modernization and re-equipping that most American industries have done since 1945. Some industries, however—electric and gas utilities, railroads, and mining—will continue to spend heavily. And private construction will undoubtedly come almost up to the level it reached last year.

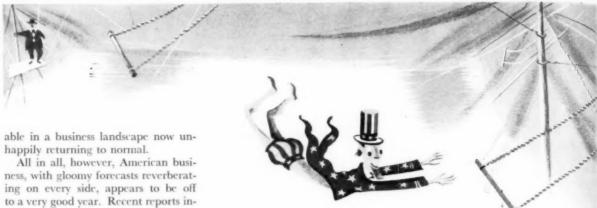
Spending by all governments for goods and services will probably rise from last year's total—36 billion dollars—to about 45 billion, with the Federal government putting out 27 billion and the others 18. Congress has been praising economy in the morning and

raising appropriations in the afternoon, so that no curtailment of the estimated Federal outlay is expected. Part of the extra nine billion this year will be put into increased construction of schools, roads, public housing, and the like. Between 12 and 13 billion dollars will be allotted to national defense and military aid to western Europe. These items will help keep heavy industry rolling.

Altogether, then, total national spending on goods and services this year will probably reach about 243 billion dollars, compared to 255 billion last year. Lower prices would account for part of this unspectacular drop.

All this does not mean that every business in the country will move along, free of trouble. That never happens except in a feverish boom. At present, the steel and auto industries are still producing nearly at capacity, though some decline is expected in the former before the end of the year. But in textiles, lumber, rubber products, and machinery, for example, the current levels of operation are no better than moderate. Such spottiness is unavoid-





ness, with gloomy forecasts reverberating on every side, appears to be off to a very good year. Recent reports indicate that if total spending for the year matches the rate of the first quarter, it will amount to 256 billion dollars, a billion higher than in 1948.

Of course, this is unlikely, for the business trend is downward. The first quarter of this year was down from the record fourth quarter of last; the second quarter is running slightly lower; a good summer, but slightly down again, is in prospect. In the fourth quarter the contest between up and down in 1949 will be decided—largely by what the American consumer does with his dollar.

The above forecast naturally takes no account of extraordinary developments. For instance, real peace, if it comes, would probably be deflationary. So would a wave of strikes in major industries—a possibility that cannot be dismissed lightly. And so, too, would simultaneous, panicky retrenchment by consumers and businessmen.

But even in such circumstances the American economy would have a great capacity for absorbing shocks. There are no huge inventories (held on overextended credit) to throw onto panicky markets; farmers have price supports; many workers have wage supports by virtue of collective-bargaining contracts; there is special legislation for veterans; the unemployed in every state receive insurance benefits; the stock market is not up in the air and the Federal Reserve System stands ready to maintain the prices of government securities; the banking system is extremely liquid: bank-deposit insurance for limited accounts is all but universal: and, finally, the government is prepared to spend more money in the very improbable event that consumers and business start spending a good deal less. This is neither 1921, nor 1929, nor even 1937-38

Nor is inflation in the offing, unless President Truman has really uncanny gifts of prophecy. Otherwise, it seems time for him to withdraw the antiinflation parts of the program he announced last January. Priorities and allocations for key materials are certainly not necessary as the supply problem eases up in one field after another: the government doesn't have to apply itself to increasing steel capacity as the industry moves away from full utilization; raising taxes seems inadvisable as personal incomes dip; enlargement of power to control credit is certainly nonsensical as the Board of Governors of the Federal Reserve System establishes easier credit regulations every other day: stronger machinery for the enforcement of export controls is superfluous, as five hundred commodity items have been taken off the control lists; and authority to regulate speculation on the commodity exchanges was a red herring from the start.

The fact is that ours is a mixed economy in which the free forces of the market are supported, not overwhelmed, by governmental regulation. No other complex economy in the world has come through the war and the years after so well. Soviet economists know this. We sometimes forget it in our daily disputes.

Unless business shoots up in the last

co



quarter, we may have close to five million unemployed by the end of the year, about two million more than we have now. An increasing number of people are having their work week—and their take-home pay—reduced. This must strike some as a pretty disagreeable sort of prosperity.

It is important, however, to remember that only during total war are there fewer than three million unemployed in our vast and complex economy. Most of these are workers between jobs-"the irreducible frictional unemployed" whom the economists write about. If five million are out of work by the end of the year, they would constitute only 8 per cent of the total labor force. (In 1941, a big year for defense production, 9.7 per cent had no jobs). Among the five million would be nearly a million youngsters on the hunt for their first obs. Certainly, vigorous steps must be taken to make the jobless period brief,

and to stop the unemployment trend,

but, for the time being at least, no

disaster signals are called for.

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DEPOSIT

Psychological, not only economic, readjustment is what all elements in the country really need. We must get reconciled to the idea that something like economic normality, with most of its hardships, is upon us. This means, among other things, the return to seasonal operations, to some forty-five weeks' work a year, for example, instead of the fifty-two of the past few years. It means that not all businesses are able to get by; the inefficient and the unlucky go to the wall; new inventions and new tastes send even established firms into bankruptcy. All this will undoubtedly be tough for some communities. The fact, for America, is that 1948 could not go on forever.

It is not too early to get some antiunemployment tools ready. Public works is an obvious one. (It is surprising to learn that Washington has no comprehensive plan for public-works projects.) The unemployment insurance system can be improved, particularly by bringing the payments up to present-day cost-of-living levels. A wider and more systematic use of severance pay should also be studied.

There is one particularly thorny type of unemployment—that arising from the introduction of labor-saving technical innovations—which calls for special remedies. Though of small volume now, such unemployment is sure to

grow, for industry has spent more than fifty billion dollars on new productive equipment since the end of the war. The growth of productivity is all to the good. The men displaced by the machines need all the assistance possible. This should include retraining, the expansion of the services of employment exchanges, and perhaps financial assistance in moving to new jobs and new communities.

Many people will be alarmed because government spending on goods and services this year will be about 19 per cent of estimated national expenditure. This figure, compared to only 14 per cent for last year, is the highest in our history except for the years of war and depression. Some think that such expenditure marks the end of free America.

But they would do well to reconsider. Details aside, the high level of government spending results from two increasingly heavy responsibilities: to

ourselves, in providing social services to advance the standard of living of our people at home; and to the world, in maintaining and increasing the strength of American leadership. If America accepts both, it cannot avoid a considerable increase in government outlay.

The chief dread is that the government will snuff out the entrepreneurial spirit that has carried us so far. There is no reason why it should. Business still has plenty of gigantic opportunities—within and outside the borders of the country. In the past American business has taken the lead in approximately doubling the total output of the economy every twenty years. No less is required for the future.

In the Bold New Program the government has invited business to take an important part in the industrial development of many friendly countries. The entrepreneurial spirit, far from being obsolete, now faces the task of multiplying its energy.

Prophets of Gloom

Gunnar Myrdal, sometime Swedish Minister of Trade and Commerce, in "Is American Business Deluding Itself?" Atlantic Monthly, November, 1944:

"It appears incredible that [American] consumers would show enough confidence in the future and have enough intelligence, imagination and culture to increase their standard of living to such a degree and as rapidly as would be required for the maintenance of full employment. . . America after this war will face a situation comparable with that of England's depressed areas after the last war, but on an increased scale. . . .

"It is to be expected that America, after the end of the war in Europe, will

"It is to be expected that America, after the end of the war in Europe, will experience a high degree of economic unrest. . . . There will certainly be mass unemployment in large areas. . . . Within a period of, let us say, from half a year to three years [there will be] a slump."

Boris Shishkin, vice-president, National Bureau of Economic Research, in "The Next Depression," The American Federationist, October, 1944: "The unscheduled attraction which does not appear on the printed program but is guaranteed to follow the promised event [the boom] is the biggest and most devastating crash anyone has ever conceived. . . . The shrinkage in consumer income [after the war] will not be evenly distributed. Whole areas dominated by war activities that are to be terminated and not resumed in any form will become distress areas. . . . Across the very threshold to . . . peace lies the shadow of a prospect of a deadly depression of misery and despair for twenty million jobless."

Eugen Varga, sometime Director of the Institute of World Economics and World Politics, in "Course of the Industrial Cycle After the War," Labour Monthly, December 1945 (translated and reprinted from World Economy and World Politics, Moscow, May, 1945):

"The existence in the USA... of a 'deferred' demand of some 50 milliard dollars will undoubtedly produce in the USA a short-lived prosperity, just as after the first World War... The effect on the market of this deferred demand will be counteracted by considerable unemployment, shorter working hours and the return of workers from the Forces. This mass unemployment will result in a reduction of the current income of the working class and therefore of its purchasing power.... In the USA, in the postwar period we should not anticipate any significant rise in prices, while further in the crisis phase which will follow this rise, a very important fall in prices is to be expected."

Up-to-Date Anachronism

Jake Arvey of Chicago has survived as a powerful political boss because he has been careful to keep up with the changing times



With the Tammany coal scuttle superseded by public relief, and the indentured jobholder liberated by Civil Service, political bosses are fighting a losing battle against obsolescence. Perhaps, as well, some of the incentive to survive was lost when conscience was alerted by the income-tax investigator. The crumbling rule of Crump symbolizes the straits of the big-city baronies. The power that was Pendergast is gone, along with the glory that was Murphy, the splendor that was Hague. The law of evolution is at work, sometimes extinguishing the species, sometimes modifying it out of recognition.

Chicago, however, appears to be defying the law. There the diminutive, amiably square-jawed Jacob M. Arvey is running a Democratic machine which is, from a distance, indistinguishable from the old one. On close inspection, one can see that certain revisions have been made in its design, notably in the centrals.

in the controls.

As chairman of the Cook County Democratic Central Committee, Arvey has been largely responsible for the nomination and election of Mayor Martin H. Kennelly, Senator Paul H. Douglas, and Governor Adlai E. Stevenson. The choice of three such men in a state as accustomed to mediocrity and corruption in public office as Illinois was one of the major surprises of last November.

That development, however, is hardly more startling than the metamorphosis of Arvey himself from an inglorious ward manipulator to a pre-eminent party leader thirsting after righteousness for his name's sake. In 1944, Arvey, a lieutenant-colonel in the Pacific, wrote friends that if he returned to Chicago he intended to devote his spare time to repaying the community for the fine things it had given him. "Given" may not have been exactly the right word, for the community was prodded into yielding what it did by the resourceful and untiring application of Arvey's unusual energies. But it yielded, and the gratitude that came over Arvey in the battle zone has persisted.

Perhaps more unprovable things are believed about politics than any other human activity except religion. The average American would as soon be caught in the Kremlin as admit that so far as he knows most politicians are about as honest as tea salesmen or meat packers. There is still some skepticism concerning the genuineness of Arvey's devotion to integrity in public office. But if the recent record does not clear him of opportunism, nor establish the sincerity of his motives, it does at least suggest the quality of his intelligence. And as long as the dish is palatable, most diners are not inclined to worry over what the chef may confide to his psychoanalyst.

Arvey has had a highly profitable law business, juicy fees as master in chancery, and real-estate appreciation which has left him at least comfortable. His law firm of Arvey, Hodes, and Mantynband undoubtedly picks up some business from clients who think the firm name might be helpful. On the

other hand, it may lose some clients who, having sound cases, fear the appearance of relying upon influence.

The center of the 24th Ward, to which Arvey owes his start, is the muchpublicized Maxwell Street area, It has usually turned in a higher percentage of Democratic votes than any other ward north of Mason and Dixon's Line. Its Jewish population, which at one time was 98 per cent, has voted solidly and trustingly for those who knew and shared the hopes and fears of recent immigrants. The periodic vote-stealing scandals which rocked the ward are, with some plausibility, attributed to the excessive zeal of precinct captains in competing for the watches and other prizes which Arvey offered to the champion shepherds.

Over the years, the Jewish majority has dwindled to around 65 per cent. Arvey himself has moved to a fashionable hotel on Lincoln Park West, and is now often "Jack" rather than "Jake." But he is still county chairman because



the person elected 24th-Ward committeeman always resigns, and Arvey's appointed the ward's representative. The committee then elects him chairman.

The 24th's docility may be judged from the fact that in 1936 Arvey carried it in the gubernatorial primary for Dr. Herman N. Bundesen, candidate of the Kelly-Nash machine, against Henry Horner, a Jew who had made a highly creditable record in his first term. Arvey is apologetic about that now: "If I had it to do over again, I'd bolt."

During that campaign Arvey ran into Governor Horner at the end of a political meeting. As they left Horner greeted Arvey with an affectionate word and an arm across his shoulders. Red-faced with embarrassment, Arvey said, "You know, Governor, I'm not for you."

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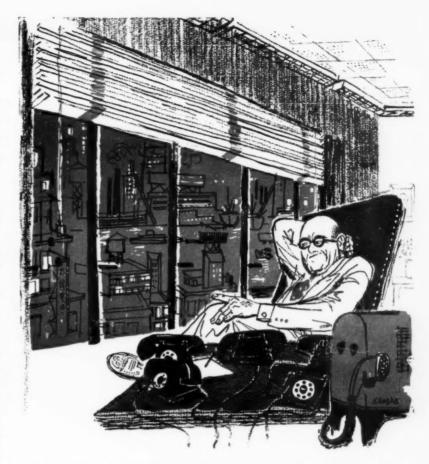
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"I know," replied Horner. "But you're one of the few men who ever told me he wasn't for me. And you're for me in your heart."

Arvey's first boost into elective office came in 1923 from Moe Rosenberg, then the reigning leader of the 24th Ward. He became the ward's candidate for alderman. The Municipal Voters League, a nonpartisan civic organization, was noncommittal: "A young man of ability and energy," said its report on candidates. Thereafter for eighteen years, at the two-year election intervals, the league's report contained complimentary reference to Arvey's industry and capacity, seasoned with angry notations about occasional votes for some more-or-less raw stratagem of the machine.

By February 15, 1933, when Mayor Cermak was laid low by the shot intended for President-elect Roosevelt, Arvey was vice-chairman of the county committee and the commanding figure in the city council. These distinctions might easily have made his claim to the mayoralty outrival that of Ed Kelly. But inasmuch as Horner was still governor, the time was adjudged inopportune for placing another Jew at the head of Chicago's government.

When, as Major Arvey, judge advocate of the Thirty-third Division, he went into active service in 1941, gloom was settling over the Democratic machine. The ten-year cycle of opulence which seemed to precede a voters' rebellion was about complete. A Republican, Dwight H. Green, had carried



state and county for governor in 1940, and Democratic jobholders were figuratively swarming down the hawsers from the state offices.

When Arvey became a private citizen again after Nagasaki, things looked even worse. Pat Nash was dead. Kelly was old. The Republican trend climaxed by the 1946 elections was under way, and the need for new leadership was apparent.

At that point, Arvey was persuaded that his pledge of a life devoted to public service was not necessarily incompatible with public office. So Mayor Kelly resigned with outward grace as county chairman, and Arvey took over. (The party emissaries had to get Mrs. Arvey to release him from a no-politics pledge.) His first real chance came with the Chicago mayoralty elections of 1947. A Republican year seemed assured. The G.O.P. state organization, fat, powerful, and careless, picked an obscure lawyer and party corporal named Russell Root.

Sensing that Republican arrogance was likely to prove unpopular, Arvey looked for a candidate who could attract Republican votes. After weeks of meetings, he and the other members of the county committee came up with the name of Martin Kennelly, a political amateur and wealthy warehouseman.

Some of the old-timers gagged over this choice of a "reformer"—their word for one whose policy is law enforcement. Arvey argued that the choice was between nothing and what patronage might remain under a high-grade but unbeholden mayor. It was enough: Kennelly won by a handsome majority. He says that Arvey asked him for no commitments and got none, but did offer counsel if a guide through the political labyrinth should be needed. "I phone him four times for every time he calls me," Mayor Kennelly says.

With the successful formula established, the selection of Governor Stevenson and Senator Douglas in 1948 was comparatively easy. Arvey wanted the present roles of those two reversed. It was logical: Stevenson, as a diplomat, a delegate to the United Nations, an assistant to the Secretaries of State and Navy, had touched politics on the national and international side; Douglas, a former Chicago alderman and University of Chicago economist, knew the problems of city and state. But the party leaders were quite positive that they would get nothing from Douglas. Stevenson, while not promising, offered some slight hope, both as an unknown quantity and as a novice.

Arvey's compliance revealed the terms upon which he remains the country's political boss most likely to remain a political boss. They are: Find good candidates who can attract bipartisan support; then reach party unity by compromise and not by edict.

After the Fair Deal's flabbergasting triumph, a band of Arvey's hecklers sought to make capital of the fact that he had advocated drafting General Eisenhower to replace Mr. Truman. But Truman had carried Illinois by thirty thousand votes, while Stevenson won by six hundred thousand. The President's cordiality to Arvey attested that not even he could believe that Stevenson had ridden the Presidential coattails.

Arvey accompanied the governor to the Inauguration in a private car loaned by the president of the B. & O. Railroad. There was some muttering about this in the substrata of party ranks, but Arvey boldly indicated that he was above class distinctions, and would not hesitate to associate even with the aristocratic Stevenson. He has, in fact, seen the governor frequently, applying his weight to the state legislative program with the same service he gives Mayor Kennelly.

A major chore for him has been defending Kennelly's efforts to restore the merit system in City Hall, which means that party workers go out with each new Civil Service examination. Having promised no better, Arvey can do it with a clear conscience.

"When I was taking Kennelly around to the wards to meet the boys it was pretty tough," he says. "I'd tell what a fine man he is, and praise his 'ability and integrity.' They kept waiting for me to wink at 'em. Luckily, I never did."

—JOHN M. JOHNSTON

Mail-Order Emperor

Montgomery Ward's board chairman controls his hierarchy by nerve war and adroit maneuver



Every spring, Chicago has come to expect an upheaval in the white skyscraper housing the headquarters of Montgomery Ward. Sometimes it is a row with the cro, a skirmish with the stockholders, or a fight with the Federal government, or

an explosion in the executive hierarchy; now and then, it is all four. It is always provided by Sewell Avery, the chairman of the board and the man who, in 1944, was removed bodily from his own premises by two soldiers for refusing to obey a government order to bargain collectively. Pictures of the event made by delighted press photographers ranked high, and adorned front pages all over the nation.

This year Avery stuck closely to schedule. There were the usual tremors, followed by the usual quakes, and then another delegation of Montgomery Ward vice-presidents fled. Avery, thinlipped, smiling with self-satisfaction, calmly dominated the stockholders' meeting.

Avery is seventy-four, trim, slim, and wiry, brimming with energy, sublimely confident of his own judgment. The self-assertiveness which has made him a national character has been most spectacular in the ten years since he passed retirement age. During that decade he has run through one set of executives after another; fought the unionization of his employees with tireless and effective fury; conducted a war against Franklin Roosevelt; litigated with the OPA, the FTC, the NLRB, the WLB, and the antitrust people; and filed three one-million-dollar libel suits.

This year's performance was a continuation of the one that began a year ago. All told, thirteen top officials of Ward's have been fired or have resigned within the twelvemonth. This brings the number of vice-presidents or officers who have decamped during the past twelve years to more than form.

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The alumni appear to have two things in common. First, all have gone on to high positions in other firms. Among them are a directing head of Bonwit Teller, a president of R.C.A. a president of Bendix Home Appliance. Second, all tell a tale of nerve war and intellectual terror. One outgoing vice-president has said: "Life is too short to live with a tyrant who demands perfection and whose sharp tongue slashes out at the slightest provocation." Another: "Avery likes to play with men's minds as a cat does a mouse, and his theory of administration is 'Divide and conquer."

Avery has called the upheaval that began a year ago a "conspiracy against management." The phrase and the facts, taken together, yield an illuminating insight into what he thinks management is. Namely, Avery.

Apparently no great issues of business policy were at stake. Avery counts frankly on a depression, and consequently Ward's has hoarded its strength rather than expanded since the war. There may have been some questioning of this outlook among Avery's executives, but evidently that was not the key to the great "conspiracy." It sprang from the understandable desire of President Wilbur H. Norton (now assistant to the president of General Motors) to perform the functions of his office. After a bit of internal jockeying, Norton appeared to have won his point. Avery called a special meeting of the directors and proposed a change in the corporation by-laws to give the president full charge of day-to-day operations.

"Now, is everybody happy?" he asked. Everybody was. But the change in by-laws had to be published as a matter of legal record. The newspapers smelled out a story. Here was a feverishly anticipated, scarcely believable phenomenon-Sewell Avery voluntarily giving up authority. Columns were written about it. Avery had stood for the event; he could not stand for the publicity. He burned for days. Then one afternoon he marched into Norton's office and found a meeting of all the executives who normally met with him. He asked each whether his interpretation of the altered by-laws was that of the press. "It only lasted about five minutes, but we were all limp when Avery strode out," said one.

Soon afterward, while Norton was travelling in the East, Avery called a directors' meeting at which the change in by-laws was interpreted into meaninglessness. Norton received a telephone call demanding his resignation. That started the outward march of "conspirators." It also marked a break between Avery and the Morgan backers who had originally brought him into Ward's. The two Morgan directors resigned from his board in a state of refined

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Avery has had little serious trouble with his other directors. He handles them—and the stockholders as well—with the finesse of a practiced politician. Politics and politicians are held in profound contempt by executives who, it would seem, themselves employ the time-honored political methods of

influencing people. Several years ago, on the pretext of providing continuity of management, Avery's board changed the by-laws so that only one-third of the board would be elected every three years. This meant that a stockholder revolt could not overturn the board in any single burst of reform. During the last year, when some directors began following vicepresidents into exile, the awful possibility arose that the vacancies thus created, combined with the normal turnover, might open the way to the sudden creation of a new majority. This problem was solved simply enough: as various directors decided they had had their fill, Avery's board reduced the directorate from fifteen to twelve and then to nine. Continuity of management—that is to say, continuity of control—was assured.

The directors who remained appear to be bound to Avery by what may be called a community of interest. Politicians would call it patronage. In addition to a few old friends, Avery has on his board a banker who handles Ward's deposits; an insurance man who handles Ward's insurance; a lawyer who handles Ward's litigation.

The 1948 blowup left four vice-presidents at their posts. Two had been suspect as members of the Norton "conspiracy," but the others were assumed to be simon-pure Avery men. All four vanished this spring. Apparently what disturbed them all was a little change that Avery decided to make in the system of executive bonuses.

One day in March he told three of the vice-presidents and three other officers that the bonus system would be discontinued. Instead, the executives would receive straight salaries equivalent to their former base pay plus an "adjusted" bonus. He then jotted down on separate slips of paper the basic salary and "adjusted" bonus for each. The three non-operating officers are reported to have pecked at their slips and radiated satisfaction. The three vice-presidents discovered that they were being handed a pay cut, and a substantial one. They quit.

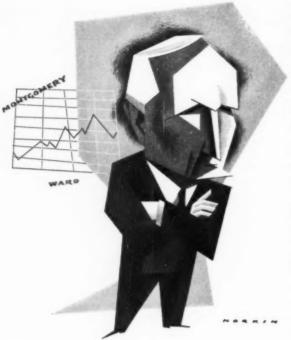
This time there was a good deal of wild talk about a real stockholders' revolt. Two investment trusts did publicly announce their displeasure at the high mortality rate of vice-presidents. At the annual meeting, a lawyer representing an investment-counsel firm had some harsh words to say about the demoralization of executive personnel at Ward's. He even implied that Avery's reputation as a management genius might be exaggerated, citing sales figures as support. But Avery, surrounded by eight fresh vice-presidents, was reelected easily. A few weeks later, his directors chose Stuart S. Ball, a fifteenyear Avery henchman,

as president.

F'or forty years, Avery has not known what it is to be No. 2 man. The son of a wealthy Michigan lumberman, he joined his father's Alabaster Company after his graduation from the University of Michigan. Those were the days of trustification, and Avery helped to form a trust when the U. S. Gypsum Corporation emerged from a combination of thirty firms—his father's included. Avery became president of U. S. Gypsum at thirty-one. He still runs it in his spare time. There have been no personnel convulsions at Gypsum, a fact which Avery attributes to some subtle temperamental difference between merchandisers and producers of plaster.

Ward's was close to the folding point when Avery was called to its rescue in 1931. He was given a salary of \$100,000 a year and an option to purchase stock at a stated price. He is believed to have realized a profit on the stock of nearly two million dollars. In his first three years at Ward's, he turned a nine-million-dollar deficit into a ten-milliondollar profit. Avery has never discouraged the impression that his administrative genius was solely responsible, but there are those who note uncharitably that Ward's recovery might also have been affected by the activities of a man named Roosevelt, who devoted himself in the early 1930's to the restoration of consumer purchasing power, with special attention to the farmers who comprise most of the mail-order market. "Disgraceful humbug" was





Avery's term for the New Deal, and he joined the Liberty League to fight it.

Defending his stock bonus before the stockholders, Avery once analyzed himself in these words: "My incentive in life has never been to make money. If you're successful, the money will take care of itself."

In Avery's philosophy, a man who gathers into his own hands the combined power of many other individuals, and exercises that power as it suits him, is a success so long as his corporate enterprise is a success. A man who represents the common interests of many other individuals in a labor union may strike him as a "racketeer." A man who wields power in behalf of all the people, through government, would fall into his category of "politicians who have gone into politics because they were unable to find anything in private industry suitable to their talents."

Avery insists that labor is a commodity, nothing more. He is not impressed by talk of full employment. "A corporation's efficiency," he says, "is indicated by the number of men it can release from a job, not by the number of men hired." The social responsibility of a corporation in his view is to cut its labor force and its wage bill to the bone, thereby cutting costs, beating competition, selling goods, and surviving as the fittest to survive. As for the possibility

that this process, magnified, may lead to periodic depressions, Avery has always believed depressions to be inevitable.

Avery was a natural to get involved in the great Ward's ruckus which filled the nation's headlines in the spring of 1944. The cio wrung a contract from him only once. That was in 1942. Apparently he regretted it. When the contract expired, the union learned that Avery was in no mood for another. Nor would he consent to extend the old contract while discussing a new one. He spent \$400,000 on full-page

ads in all the major newspapers of the country, explaining to an indifferent public that the War Labor Board had no right to coerce him into signing what he persisted in calling a closed-shop contract. At length the union struck. The wlb ordered the men back to work, and ordered Avery to observe the terms of the old contract until an election could be held to determine whether the union still represented the workers—which Avery denied. Avery ignored the directive, and the Presidential command that followed.

President Roosevelt took the next step open to him under the War Labor Disputes Act. He had seized the mines to prevent John L. Lewis from wrecking the wartime labor truce; now he directed the Department of Commerce to take possession of Ward's. Wayne C. Taylor, Under Secretary of Commerce, walked into the sprawling plant to take over. Avery set his teeth and held his ground. Taylor let him stay for the first day.

Next morning Avery's big black Cadillac bore him back to work at the usual time. Taylor, now reinforced by Attorney General Biddle, formally requested Avery to turn over necessary papers and to call a staff meeting at which instructions would be issued. Avery flatly refused. He also refused to leave his office. It was at this point that Biddle, every inch an aristocrat, coolly instructed two helmeted soldiers to carry Avery out. Under this provocation Avery said the worst thing he could think of at the moment to Biddle: "You New Dealer!"

There were strong political overtones to the fracas. From all over the country industrialists wired Avery congratulations on his resistance, and more than one businessmen's club began furtively to talk of Avery for president. An election was coming up. Many a Republican thought that the historic assault on Avery's dignity might at least sharpen up an issue or two. Possibly with this in mind, the government tried to get out of the case fast. The NLRB election was held, the union won, and the government moved out after thirteen days. thereby rendering superfluous a court judgment on its request for an injunction.

Avery, however, was not through. Again at the end of 1944 he defied was orders. Again he was seized. This time the Army took over, and it stayed for ten months. A court test on the legality of the seizure was started, revolving around Avery's contention that the government could seize only plants engaged in "production." Avery won the first round, the government the second. By the time the case got to the Supreme Court the war was over and the appeal was dismissed as irrelevant to the changed situation.

Meanwhile the long Army occupation had steadily weakened the union, since a strike was impossible and the Army declined to carry out all the terms of the WLB order. When the Army finally left, Avery posted a notice curtly rejecting maintenance of membership or a dues checkoff, and the union was as good as dead and buried. It still is.

It is doubtful whether Avery broods much over the statement of Harry L. Derby, the American Cyanamid executive who sat as an industry member of the WLB and who summed up the battles of 1944-1945 in these words: "Montgomery Ward has done the greatest disservice to industry and the private enterprise system of any concern in the United States." Avery probably prefers to remember the time during his struggle with "that man," when he walked into the dining room of a Chicago club and every member row -ROBERT LASCH in tribute.

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City with a Future



The city of Decatur, Alabama, is an impressive one. Its mills and factories appear active and prosperous; its homes are, for the most, spankingly clean and freshly painted. Decatur

looks as if it has been vigorous and wealthy for generations. It hasn't.

"Man, you should have seen this town back in the fall of '31," says Barrett C. Shelton, the editor and publisher of *The Decatur Daily*. "It sure was a sorry sight. We were down, flat and bruised. Five-cent cotton and not a lick of work."

In 1931, fifteen thousand people lived in Decatur; by the end of that year, more than half of them were carrelief. Practically nothing that could be called industrial was going on.

All in all, Decatur's future looked pretty forbidding. Then the Roosevelt Administration came to the rescue with the Tennessee Valley Authority. Decatur is on the banks of the Tennessee, twenty-six miles southwest of Huntsville. By 1940, Decatur was able, without turning a hair, to absorb four thousand additional people, who had come to town to take part in defense work. The war boom which followed the de-

fense boom gave the city a handsome ride. It hasn't really ended.

Today, twenty-two thousand people live within the corporate limits of Decatur. More than five thousand are employed in its eighty-seven industrial establishments. Last year they drew more than twelve million dollars in wages. They produce a wide variety of

things, from river barges to frozen foods, tire fabrics to flour.

Before TVA, Decatur's efforts to scrape out of the depression were frenzied and futile. Shelton, along with an auto dealer, a real-estate man, and some others scraped up three thousand dollars and turned it over to the Chamber of Commerce to look for a solution. It wasn't easy. The Chamber, at least at first, was inclined to stick to agriculture, and the land in the neighborhood that hadn't been exhausted by a couple of centuries of cotton had been washed sterile by the floods of the Tennessee.

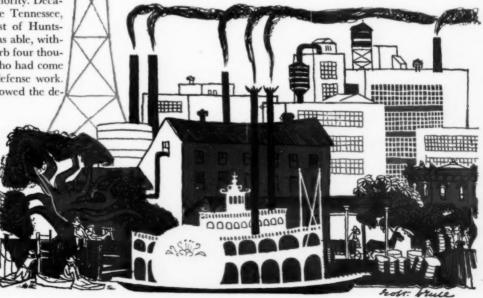
Apacking plant, the men of Decatur figured, might break the grip of cotton. They felt that if they could provide a market for beef and pork, they could persuade some of the farmers to devote part of their land to pasture. They succeeded in getting a plant into operation, but their calculation failed. Most of the farmers were too impoverished to make the investment necessary to

build a herd. Besides, the land was too worn out for grazing.

Then came what the citizens of Decatur now call the miracle—the TVA. They took a less favorable view of it at the beginning. When David E. Lilienthal visited Decatur to explain the enormous program, he ran up against suspicion and hostility. The people, desperate as they were, were opposed on principle and by heredity to government intervention of any kind. "You've got the ball now," one of them said distrustfully. "What are you going to do with it?"

"I'm not going to do anything," Lilienthal is supposed to have replied. "You're the ones who will have to do it. We will provide you with certain tools—navigation, flood control, low-cost power, malaria control, land fertilization. From there, it's up to you."

It didn't take long for the TVA to show its effects. Wheeler Dam, twenty miles down the river from Decatur, spread the waters over acres of worn-



out bottomland and created a broad lake suitable for fishing and for boating. High-tension wires brought abundant, inexpensive power to farms, homes, and factories. The Tennessee could no longer go on rampages, as it had always done; tugs could now tow strings of barges unimpeded up and down the river at any time of the year. Government men taught the farmers how to restore the earth's fertility.

Cattle could now prosper on the revitalized farm lands. The packing plant really went into action, and the people of Decatur looked around for other things to build and industries to start up. They settled on a cheese factory and encouraged farmers to try dairying along with raising beef. This worked from the start; an increasing number of families have found, over the years, that they could get the means to finance the development of dairy herds. Decatur acquired, in rapid succession, a flour mill, a poultry-freezing plant, a fertilizer-feed-and-seed cooperative, and a wood-fabrication factory. The town was practicing what the neighboring state of Mississippi was preaching: BAWI, which meant Balance Agriculture With Industry.

Linking industry and agriculture was the first phase of the change that has come over Decatur. The second was selling transportation and power assets to manufacturers from the outside world. In 1934, word reached Decatur that the Ingalls Shipbuilding Corporation of Birmingham was shopping for a river town as a site for a boat- and barge-building plant. Decatur's salesmen lost no time in persuading the firm to set up its newest yard at the river's edge on the western end of town. Then the group got the Goodyear Tire & Rubber Company to buy an abandoned mill, which had been built to entice a New England cotton company, but which had stood idle for more than a decade. An Indiana grain cooperative decided to place an elevator in Decatur.

Once all this was under way, the citizens of Decatur got moving on their own and have kept it up since the war. In a former cotton warehouse, Robert Harris, an engineer who had worked for Ingalls in wartime, opened an aluminum products plant on his own. He employs more than a hundred persons in the manufacture of kitchenware

and Boy Scout mess gear. Ed Wilson built a modern building for hatching baby chickens and freezing poultry. His annual business amounts to about a million dollars. The Baker boys expanded their father's small body shop into a furniture-and-crate factory.

Nor has the move on Decatur from the outside stopped. Wolverine Tube, a division of Calumet & Hecla, which has headquarters in Detroit, was seeking last year to locate a Southern division where there was inexpensive power. Many towns competed for the ten-million-dollar installation for making copper tubes. Decatur got it.

As a result of such enterprise—plus the TVA—retail sales have jumped from ten to twenty-five million dollars in Decatur over the last ten years. "It used to be," said a local businessman, "that a man who made five thousand dollars a year was considered pretty rich around here. Now we've lots who make twenty-five thousand and more."

One group in Decatur has not benefited much from the city's imaginative business and lucky location—the Negroes. They have electric lights, it is true, and in general they are said to be better off than they were before the war. But their houses are shabby, their streets dusty or muddy, and their plumbing largely out-of-doors.

A few Negroes have prospered at farming. Since the coming of TVA an increasing number have acquired their own places. Some even have tractors and belong to the fertilizer cooperative. And they have learned to increase their



yields by scientific cultivation. The majority, though, are still tenants and sharecroppers who live in the shacks their ancestors put up.

Labor—white—has done a bit better. The GIO Textile Workers Union has representation in the Goodyear plant which now employs about 1,700—the largest single group in the city. The AFL has some organization in the building trades and elsewhere around the area. But the unions are still far from being greeted as partners in production by Decatur's employers.

The workers already organized have been among the first to build their own homes and take pride in the city's growth. "What this town would be with a real labor movement!" says a rank-and-filer at Goodyear. "We'd really show you how the South could change."

The story of change in Decatur has been duplicated with variations in many cities and towns in the Piedmont Tobacco and cotton country has become accustomed to the bleat of the factory whistle. Not far from the lone textile mill and the rows of company houses, expanding industrial communities have sprung up with attractive homes at the sides of the highways and cheerful shops and movie theaten along the modern Main Street. Rubber plants, cement works, metal and machinery factories, steel mills and smelters have come into an area once reserved for King Cotton. In Georgia, 185 new industries have got started since 1940. Factory payrolls have increased by more than a hundred million dollars; seventy-five thousand additional industrial workers are ployed. Across the line in Alabama, fifteen hundred new plants were opened at about the same time, with jobs for ninety thousand and an added factory payroll of \$275 million.

A new day for the South may well be on its way. The accent has been placed on production for regional we and employment of regional resources. With new equipment, locally made and locally consumed, the standard of living has risen appreciably. But the smaller places, the size of Decatur, are still comparatively virgin areas. All that Decatur needed to get going was to plus business imagination. Now it could use a more imaginative attitude toward Negroes and labor.

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City with a Past



The fishing port of Gloucester, Massachusetts, where men are skilled at foretelling squalls, is not easy about its present prosperity. During the war, with meat strictly rationed, almost everybody who lived in the Atlantic Coast's largest fishing port made a lot of money. Incomes are still high and the market for fish is expanding, but Gloucestermen fear that sooner or later they won't be able to compete with the fishing industries of Canada and Iceland. These are hundreds of miles closer to the good fishing banks, get heavy subsidies from their governments, and do not have to pay as much for labor. The routine of catching, selling, and processing fish goes on much as it has for more than three hundred years at Gloucester, but the wind from the north smells of storm.

The working day begins at 7 AM sharp when Bunny Muise, the auctioneer, sounds the ship's bell in the Union

Selling Room. Befogged with cigar and pipe smoke, the dark, bare room has been the scene of many spirited and profane business transactions. "Bidding sometimes gets pretty rough," Bunny says. "Comes to blows now and again."

The fishing boats that have

arrived during the night are listed on a blackboard with the captains' estimates of how many pounds of each fish they have aboard. For the last ten years the biggest catch has been redfish, a deepwater species usually called "ocean perch" on menus; it is also used extensively for "fish and chips" in the Midwest.

The captains, who usually hold at least a few of the sixteen ownership shares in their boats, prefer to deal with the three largest processing plants-Gorton-Pew, General Seafoods, and Cape Ann Fisheries. There are about twenty smaller plants.

The other morning the catch of the Pilgrim was up for sale: 96,000 pounds of redfish and 77,000 pounds of assorted ground fish. Captain Lemuel Barnes, master of the hundred-foot, 200,000pound-capacity Diesel dragger, got a good price that morning from Cape Ann Fisheries-5.6 cents a pound for the redfish, three to seven cents for the others. In a few weeks, when the weather is finer and the boats that went south are back, the price for redfish will drop down close to four cents.

By 8 AM the Pilgrim lay alongside the Cape Ann wharf, and dockhands, called "lumpers," were unloading the fish for cutters who were at work slicing off fillets; within a few hours the fish were all filleted, packaged, and put in the freezer.

At his desk above the wharf, John Del Torchio, head man at Cape Ann Fisheries, felt queasy about the transaction. He gets about a 25-per cen. yield of boneless steak from the whole fish, bringing his cost for a pound of fillets from the Pilgrim load up to about twenty-two cents. Labor, packaging, freezing, and overhead run him about another nickel, bringing his cost to maybe twenty-seven cents. The market for redfish fillets is currently twentytwo to twenty-four cents. Del Torchio says he has been losing money heavily.

"We aren't able to see a new dollar for an old one," he complains, and he points out that Canadian plants could deliver a pound of codfish fillets to the United States for sixteen cents if they had to. The 2.5-cent tariff may have meant something when it was passed back in 1939 but doesn't help much now. Canadian and foreign imports are rising as relentlessly as the tide; last year imports amounted to more than a third of our domestic production. To make matters worse for Gloucester, our own government is putting up some of the money to subsidize foreign fisheries. Eca gave Iceland \$2,300,000 last year. The army is buying beam trawlers in Boston for Germany, which had been importing from Icelandic fisheries that will now have more to sell here. And European countries are willing to sell fish at a loss to get American dollars.

Del Torchio would like a stricter quota on imports, but he knows his chances are slim. Gloucestermen have resigned themselves to the fact that when the government makes a treaty, it sacrifices fishing to get favors for industries like steel and automobiles,





The aristocratic cod

but Del Torchio does feel that advertising might help. "An American eats only eleven pounds of fish a year. If we teach them how to cook fish decently they could handle the whole market." And Cape Ann Fisheries, along with three other companies, is going to build a new by-products plant to use the part of the fish that cannot be cut into fillets. But the people over at Gorton-Pew, who have been in the by-products business a long time, are doubtful; they suspect that synthetic vitamins will soon be cheaper and better than those made from fish waste.

While the processors hope for a drop in fish prices, the vessel owners and crew members are hoping prices hold up. If they get much less than five cents a pound they lose money. They are competing with Canadian fishermen in other ways. For instance, the Pilgrim had to make a seventy-five-hour run down to the banks off Cape Breton Island to get her 96,000 pounds of redfish and 77,000 pounds of ground fish. Fishermen from the ports of Nova Scotia and Newfoundland can get to the same banks in three to six hours. Gloucestermen don't like to admit it, but this means Canadian fish are fresher than Gloucester fish. Captain Barnes and his crew were gone thirteen days, during which they burned \$605 worth of fuel, ate \$397.02 worth of food, and used \$115.50 worth of ice. The owners' refitting costs after long trips like that are high because the price of equipment has increased steadily.

Captain Ben Pine, who owns the Pilgrim and five other boats, made good money on that particular trip but the next day another of his boats, the Raymonde, came in with engine trouble and no fish. Captain Pine, a Newfoundlander who has been fishing out of Gloucester for many years, claims that the vessel owners are barely holding their own these days. "Ten years back we used to go out seventy, eighty miles beyond the breakwater and pull in all the fish we could carry," he says. "Now we must go seven, eight hundred miles

to get a load. Canadians are fishing in their own back yard."

Some Gloucestermen feel that a sure index of approaching hard times for vessel owners is the number of boats that have gone down close to shore on clear nights recently. There has not been a serious wreck involving loss of life for years in the Gloucester fleets and convenient accidents are occasionally rumored to be a way of "selling your boat to the insurance company." Fishermen remark knowingly that "in a rough sea a plank might fall off."

Of course, not many captains would sink their boats on purpose, even though many of them would like to sell out. Captain Axel Weiderman, skipper and owner of the Agnes M. Myrnie, says "Sure, by rights I should sell her. Been going in the red a thousand dollars a year, making less than the men do. But, you know, boat's a little like a dog." The Agnes M. Myrnie is only a sixty-footer, not really big enough for long trips to Canso Bank and Banquereau, where the fish are, and Captain Weiderman hopes to make ends meet this season by netting "trash" fish near shore for the by-products plant. "It might make a year's work for me and the men," he says unenthusiastically.

Although hard times have already hit the processors and are threatening the boat owners, the fishermen themselves, protected by a strong union, are still prosperous. They divide 60 per cent of a trip's profit, out of which they must pay for the fuel, food, and ice. (Canadian crews get about 37 per cent.) The twelve crew members of the Pilgrim each got \$288.89 for the catch that was sold to Del Torchio at Cape Ann Fisheries the other day. They were gone thirteen days and the union insists that they stay ashore three days between trips. Last year crew members of the Pilgrim made \$8,410 each.

There are three fleets of fishermen out of Gloucester: the Italians, who live on the west side of town; the Portuguese, who live on the east side, around the Church of Our Lady of Good Voyage; and the "Americans" (Nova Scotians, Newfoundlanders, Swedes, and Finns) who live in the middle. It is not easy to tell a member of one fleet from a member of another; they all look pretty much alike—short, stocky men with huge chests—and they all speak English with the same "down East" ac-

cent. Fishermen no longer wear beards or sou'wester hats. And since freezing has replaced drying as the way of processing fish, it's not easy to spot a fisherman with your nose any more. But they still wipe their powerful hands on their trousers before shaking hands.

The fishermen and other workers realize that their continued prosperity is threatened as seriously as that of the processors and the vessel owners. Alphonsus F. Hayes, a fisherman since 1912 who is now Port Agent for the Fishermen's Union, hopes that the Canadians will be organized; if their living standards were raised, competition would not be as futile as it is now.

Of course, advertising campaign, organizing Canadian labor, increasing production efficiency, and stricter import quotas (which are unlikely) might help Gloucester stave off foreign competition for a while. But the head start Canada and Iceland have in getting to the productive fishing banks plus the generous government subsidies they enjoy are hard to beat. Gorton-Pew, the largest processing firm in Gloucester, is building a new plant in Louisburg on Cape Breton Island. Many Gloucestermen see this as the beginning of the end.

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One cannot really believe that Yankee ingenuity will ever be completely at a loss. Gloucester is already making plans to build up its second industry, the summer-vacation trade. Compared with Cape Cod, the shore north of Boston is practically virgin territory for summer resorts. The new high-level bridge to be built across the Annisquam River will connect Cape Ann with a super-highway that can bring thousands of summer visitors to the locality.

Gloucestermen have a saying: "Sometimes you think you'll get richbut you don't. Sometimes you think you'll starve—but you don't." No one is likely to go hungry in Gloucester. But peddling ice cream to tourists will be quite an anticlimax to three hundred years of seafaring.



Redfish, or "ocean perch"

Elmira

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City with a Problem



For a while after the recent, big laying off began in Elmira, New York, the citizens had no idea what to make of it. At first, of course, it was hardly noticeable—a few hands off here, a few there.

But by the time a fifth of all the workers in Elmira had lost their jobs, the people in the bars and diners and country-club smokers began to worry and debate. Was this, at last, the depression they were always being warned about? Was it recession? Deflation?

By now there are few people in Elmira who haven't taken some sort of a stand on this question of economics and semantics. If they are in the dark, they like to point out that the biggest national economists are too, and, as a matter of fact, will probably be around Elmira soon to see what its inhabitants have to say.

Few cities have been measured, surveyed, and analyzed as often as this reliably unremarkable community. Poll-takers, journalists, and sociologists have been fascinated by its unswerving faithfulness in reflecting national conditions. They have investigated its depression, war boom and postwar slump, its voting habits, industrial relations, racial trends. These constant dissections have made Elmirans edgy; they see themselves, blemishes and all, far too keenly. But the reports do suggest that whatever it is that is seeping into American business today, this-in Elmira-could very easily be it.

Elmira is the 219th largest city in the United States (52,000 people; including suburbs, 76,000). It has a reasonable and varied share of local and national industry. It has first families and second-generation immigrants, Snob Hill and Patch, discouraged mansions with neon "Tourist" signs in

the windows. It claims a national hero (Mark Twain married an Elmira girl and lived there for a time), a nationally famous institution (the Elmira Reformatory), and a national pastime (it calls itself America's Glider Capital). It reads Gannett newspapers and usually votes Republican.

The people who were around in 1932 say that this depression, if such it is, can't be compared to the big one.

When the crash came twenty years ago, Elmira was a quiet, defenseless, and intensely personal town. Prominent Elmira families controlled almost all the banks and industries. They tolerated only the printing and building-trades unions. They regarded wages as something to be bestowed, not negotiated; unemployment as a problem for the family; and poverty as a matter for charity.

loday all this is different. The family grip on Elmira is weakening-the fathers are getting old and the sons have gone elsewhere. Outside capital has moved in on a large scale; only two of the six plants with over a thousand workers each are locally owned. The others are impersonal subsidiaries of home offices in Detroit, Pittsburgh, New York City, Schenectady. Unions have organized 85 per cent of the factories. Wages are figured out at national bargaining tables, employment is calculated on charts hundreds of miles away, seniority has become a right rather than an indulgence.

The change started with the crash. In 1936, when companies were going bankrupt right and left and there were ten people for every job, the Association of Commerce took hold of things. It raised subscriptions to buy the deserted Willys-Morrow plant for \$400,000, and gave it for nothing to Remington Rand. There are those in Elmira who think now that this was the worst mistake their town ever made. "Jimmy

Rand is trouble," they say darkly, "he wears trouble like a Stetson hat."

Indeed, when the invitation came to James H. Rand, he was deep in the violent strike of Remington Rand in Syracuse. He had spent eighteen million dollars to break it, then had to move his plant to Elmira to do so.

At first the local people exaggerated the good that Rand achieved, as later they were to magnify the bad. When he came, it seemed the beginning of the end of the depression. He took on three thousand workers. More money began to circulate in the town and retail business picked up. A lot of other outsiders moved in. Bendix took over the Eclipse Bicycle Company. General Electric opened a foundry. American Bridge became a part of United States Steel. By 1940 Elmira was producing \$40 million worth of goods a year. It still had a few unemployed—but not many.

The war roused the town like a shivaree. Production doubled. The government built new factories. Employment went from nine to twenty-three thousand. Housewives, and farmers from all over Chemung County, took jobs at the big plants. The unions came. Everybody made money—three times as much as in 1939. Some people, for the first time in their lives, could not get housemaids; others, for the first time in theirs, could.

In the fall of 1945, six thousand people were thrown out of work as Elmira closed down for a breather. It lasted only six weeks. Then, with reconversion, there were huge backlogs of civilian orders to be filled and the city prospered even more than it had before. The people spent their savings to buy homes, on mortgage, and cars, a third down. People said that of course they knew the boom couldn't go on forever, but they didn't really believe it.

No one is exactly sure when things really began to slip. In the summer of 1947, the International Association of Machinists struck at the Rand plant for an eighteen-cent wage increase. After six months, it settled for eight cents. And in that period, in some obscure and intangible way, the industry of Elmira had started to fall apart.

Elena Bigsby, who had been with Rand for four years, was back at work six weeks when the trouble began. "The strike took a lot out of us," she says. "I was glad to get back. There were the payments on the house and the washing machine and I was going to have to touch my bonds and . . . well, anyway, I was glad to get back. Then one day, fifteen minutes before quitting time, I got my notice. I was laid off and I haven't been back since."

That was early in January, 1948. Within a month, Remington Rand dropped from 5,800 workers to fewer than 2,500. Some said it was because Jimmy Rand, fed up with the union, was once more preparing to leave town. Others claimed that Elmira, after a good start, hadn't done too well by Rand who, they said, was trying to lower wages (they averaged \$1.36 an hour). Remington Rand's explanation was simply that it had caught up with backlog orders, that the typewriter market was contracting, and that anyway it had taken over the Norden bombsight plant next door and was retooling for a new product, unnamed.

As long as it was only Rand, Elmirans were not too disturbed. They could isolate the blight in their minds: it was just Rand, a special problem.

Several months later, No Help Wanted signs began going up over other factory gates. And by the fall of 1948, the other layoffs began. The American-La France-Foamite Corp. (biggest manufacturers of fire-fighting equipment in the country); the Eclipse division of Bendix (carburetors, washing machines); General Electric (castings); Kennedy Valve (plumbing and industrial valves); Thatcher Glass (largest producers of milk bottles in America); Corning Glass, seventeen miles away—all cut production schedules and fired people.

The reasons varied from plant to plant, but the big one, common to all, was that "selling was getting tight" because products had "priced themselves out of the consumer market." Moore's Business Forms, an Elmira outfit, could report this with assurance. For years it had supplied order forms and sales books to every business from automotive parts to department stores. Since January, its orders have dropped 10 to 15 per cent; they are still dropping. One factor, Moore's feels, is that industry is getting cautious and cutting inventories to the bone, not knowing what's coming next. Another is that customers (who still have plenty of money, most people agree) are assuming that prices will fall, probably by September, and are waiting to buy.

The diverse industries of Elmira bear out Moore's story. Typewriters, liquor, food in jars, electrical appliances, valves, and carburetors are selling 10 and 15 per cent less well than last year.

Most of the industrialists agree that the thing to do is wait for prices to fall. "Don't report me as saying that," one businessman asks. "If my customers know I know prices have to fall, they'll be expecting me to cut mine."

Meanwhile, unemployment is still growing. Since the end of March, 5,300 of the 25,000 people who ordinarily work in Elmira's factories have been registered with the New York State Employment Service for jobs, and 4,000 of them are drawing unemployment insurance. By mid-April, there were 1,253 on home relief.

Not everyone in Elmira knows these figures. The three Gannett newspapers don't tell them ("Why rock the boat?"); the Association of Commerce won't tell them (a few suspicious people claim the association would just as soon have more people than jobs in the town); the unions can't tell them (they have no good news outlet). But the industrialists and the workers, and more recently the retail merchants, have a pretty good idea of what is happening.

Being unemployed in the city of Elmira in the year 1949 is hard for anyone to get used to, but not as hard as some might expect. When Elena Bigsby, for example, was married in 1934, her husband was out of work for a long time, in ccc camps and then on wpa. But even though now she has two young children, and has had no work for a year and a half and her husband none for almost six months, she doesn't feel as badly as she did then.

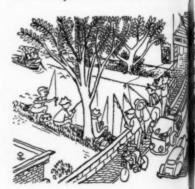
During the war, while her husband was overseas, Elena made seventy-five dollars a week in war plants. With that and her soldier's allotment, she bought a neat cottage, a refrigerator, a washing machine, a car, and a few good clothes. She had never had such things before, but she will not consent readily ever to imagining life without them again. Poverty, for her, now begins when you lose your washing machine.

At first, with her twenty-six-dollara-week unemployment insurance (and later, her husband's too), and with her bonds in reserve, she got along all right Of course, she was careful. Instead of going to neighbohood groceries she went to Geischen's Market Place (El. mira's biggest food center) because "Mr. Geischen began to see checks for twenty-six dollars instead of sixty dollars and he got smart and lowered prices." Geischen cut his profit margin by two and a half per cent, brought hamburger down to thirty-nine cents a pound, and sold butter and other decovs at cost.

By virtue of such economies, Mr. Bigsby has managed so far to meet the payments on the house, refrigerator, and car. "We're not on the streets yet, you see," she says.

Now that her husband's unemployment checks are running out (hers did a year ago), he is beginning to get a little nervous. "I always was sure I could get another job, before," he says. "Now I'm not so sure." If he doesn't get one soon, the family will have to go on home relief. They would consider it a temporary thing, and, unlike fiften years ago, wouldn't be ashamed. They know people who have gone on relief and "they've been treated decently."

The State of New York, which pays 80 per cent of the county's expenditures for relief, still requires a means test. Anyone who applies for help must prove that all his resources are exhausted and that he has no relative who can help. In such cases, the county



Boll



relief pays cash for food, rent, heat, and light, and, in special cases, for clothes. But because the Chemung County social workers, like the applicants, consider most cases will only be brief, "until things pick up," they do not make the test extreme. In some cases, they have even granted relief to families who own cars. ("It would be a shame if people lost their cars when they'll probably be on their feet in a few months," one social worker has said.)

Unemployment insurance and cash home-relief payments have been helpful to retail merchants, who feel that keeping money in circulation is the best way to avoid the sickening downward spiral that characterized 1932. Many industrialists don't see it that way. Some suggest that Federal social security is merely causing unemployment because "even if we'd try to spread the work, no one wants to work a few days a week for thirty-five dollars if he can get a free ride for twenty-six."

Other employers—and the number is surprising—are thankful to the system for easing the burden on them and the community by keeping the labor market stable.

The unemployed don't regard social security as a free ride. ("We paid for it, didn't we?" they ask.) They are glad it permits them to stay in Elmira and sweat it out until conditions improve. "Our people are no gypsies," Webster Eaton, head of the Employment Service, points out. They tend to remain in Elmira because it is their home, and because they can't afford to go elsewhere looking for work. "At first, they were choosey," Eaton says. "Now they're not. Women take domestic work; men will take almost anything."

Many go back to farms, largely submarginal, they had abandoned ten years ago. A few hire on as farm hands. (Last month the Mapleshade Dairy in Big Flats advertised for a helper and got forty-nine replies. "A year ago," says the owner, "I'd have rejoiced to get one.") Others do tenant farming.

There is a widespread conviction in Elmira that next to social security, the unions have done most to decrease the shock of unemployment. (Some say this a little defensively, others with a kind of surprise.) Organized labor-three cio unions, the rest AFL-has never been strong in the town, but has at least been organized. The fact that the labormanagement contracts conform to the national pattern has made it impossible for local employers, no matter how tempted, to cut wages. If wage cuts come, they will be controlled and considered, not stampeded. Moreover, every contract has a seniority provision, so that, unlike the big depression, it is not the older and harder-to-rehabilitate workers who go first. (Oddly enough, the seniority clauses have had one kickback: employers who know that job applicants have accumulated seniority in other plants would rather not hire them. For if their old plants ever want to take them back, they'll go.)

But the pressure is weakening the unions. Laid-off workers are dropping from their lists. And nowadays it is almost impossible to secure the gains that brought in members in the first place. "We could hardly contemplate militant [strike] action in Elmira today," a union official says. "We consider ourselves lucky if we can only hold on to what we've got. And if we should strike, under the Taft-Hartley Act, we might find others hired to take our places. Now that so many people are hunting for work, they'd probably get them. The workers don't much like scabbing here, but you shouldn't strain human nature

too far."

It is a sentiment that applies to many things that make up the deflation, depression, or recession in Elmira today. So far, with the checks and balances that Elmira and the government have constructed, the people are getting along. If it doesn't go too much further, Elena Bigsby says, "we may be seeing daylight before we knew it was night.

To Man's Measure...

Russian Pastorale



It would perhaps be tactless and reckless to say that the Russians in Russia—
Communists, or not, or little children—
are human beings like ourselves. That surely would be appeasement. Even to

say that there must be forests in Russia, rivers, plains, and country roads, and that spring has come to Russia as it has to the United States, is imprudent enough. But once in a while you have to be naive, you have to look foolish, you have to say what is in your mind without checking to see whether you are a fellow traveler or a warmonger. So there are probably those forests in Russia, with moss on the ground and ferns, with lilies of the valley, and the light filters down to the ground through the foliage and-there is no reason to stop anywhere in particular-there may be birds, too, squirrels, and rabbits.

To think about the Russian woods, with the white birches, the aspens, and the oaks, as if, after all, they did not differ so greatly from the woods in Oregon, the woods in Maine, gives one a light-hearted feeling, makes one feel clean. Even if in the Russian woods there is the danger that one may run into a Russian and thus bring up all the ideological business again.

"A marvellously sweet occupation it is to lie on one's back in a wood and gaze upwards! . . . Somewhere, afar off, at the end of a slender twig, a single leaf hangs motionless against the blue patch of transparent sky, and beside it another trembles with the motion of a fish on the line, as though moving of its own will, not shaken by the wind. Round white clouds float calmly across, and calmly pass away like submarine islands; and suddenly, all this ocean, this shining ether, these branches and leaves steeped in sunlight-all is rippling, quivering in fleeting brilliance, and a fresh trembling whisper awakens like the tiny, incessant plash of suddenly stirred eddies. One does not moveone looks, and no word can tell what peace, what joy, what sweetness reigns in the heart . . . and still one fancies one's gaze goes deeper and deeper, and draws one with it up into that peaceful, shining immensity, and that one cannot be brought back from that height, that depth. . . .

'Master, master!' cried Kassyan suddenly....

'What is it?' I asked.

'What did you kill that bird for?' he began, looking me straight in the face.

'What for? Corncrake is game; one can eat it.'

'That was not what you killed it for, master . . . you killed it for amusement.'

'Well, you yourself, I suppose, eat geese or chickens?'

'Those birds are provided by God for

man, but the corncrake is a wild bird of the woods: and not he alone; many they are, the wild things of the woods and fields, and the wild things of the rivers and marshes and moors, flying on high or creeping below; and a sin it is to slay them: let them live their allotted life upon the earth. But for man another food has been provided; his food is other, and other his sustenance: bread, the good gift of God, and the water of heaven, and the tame beasts that have come down to us from our fathers of old!"

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That is Turgenev and the village idiot (obviously). The scene is laid safely in the past: Turgenev wrote his Sportsman's Sketches not quite a hundred years ago.

The reason we quote this passage is that it proves nothing. The forest prove nothing. Kassyan's reprobation for hunters is totally irrelevant to Marxism, the police state, Berlin, China, Tito, the presence or absence of uranium in the Urals, and Mis Coplon.

Yet these imagined Russian forests and their fictional inhabitants give us something between a real—and momentarily impossible—knowledge of the Russian land and people as they are today, and the image—a false one surely—that has been created of them through the play and interplay of propaganda. For there must be fields in Russia over which sweater girls are now engaged in driving tractors; them must be Russians in Russia who do not



feel as intensely one way or other about the regime as Mr. Gromyko or Mrs. Kasenkina. These Russians in Russia we have to invent. Our invention of them may not change their reality: that is beyond our power. But it is undeniable that the shape we give them shapes ourselves. The man who daydreams monsters soon is lost.

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During the war we deprived our enemies of human stature. The Japanese, shown to us now busily playing baseball, learning democracy or the square dance, were monkeys hanging by their tails, chattering as they swung from branch to branch or dived their suicide planes-screaming wordless animal pain when caught by our flame-throwers. And it occurred to no one that if this were so it was humiliating that Americans (i.e. human beings) should suffer and die in great numbers merely to master an insurrection of the animal kingdom. The Germans and the Italians-because they looked so much like ourselves-existed in a sort of fairy tale in which they had been turned, temporarily, into blond Nazi beasts, darker Fascist rats.

Admittedly, they had once been human: there was, as proof of this, an Italian, Dante, a German, Goethe, whom one could quote against themand, of course, against them alone-to remind them of their fall from humanity. Goethe once said: "There is something peculiar about national hatred. You will always find it most extreme and violent on the lowest levels of culture. There is a level, however, where it quite disappears and where one stands above the nations, as it were. At this level, one experiences a turn of good fortune or a disaster befalling a neighbor nation as if it had happened to one's own." One could throw that

But also during the war, there were

other people who resisted the mythology by which the men of enemy nations were turned, as if by Circe, into swine.

These people spoke about the "good" Germans, the "kind, amiable" and, in consequence, unwarlike Italians, futilely setting them in opposition to their masters. Politically, such people were sometimes dangerous (defeatist); whether the position they took was realistic or not is debatable; certainly, they were tiresome. Sometimes there is no way out but to be tiresome.

The French have words to a tune: "si cette chanson vous em ..."—better put it in English—"If you don't like this song we will sing it to you all over again." And so it will be Turgenev again, the forests, the rivers, the plains, and Pushkin, Tolstoy, Dostoevsky, and Chekhov—so that these Asiatics, these Communists, these brothers of ours shall retain a human resemblance.

Jackson at Yale

In some colleges they call them fraternities, in others they call them clubs. If you go in for that sort of thing-and many young men go in for it earnestly -there is a subtle distinction. The fraternities are the masculine counterpart of sororities; the clubs of the "finishing" schools on the Continent (in which young ladies learn to swear in French when they catch their foot in the carpet). The young men in both learn to sing sentimental and bawdy songs and how to get tight like gentlemen (not before the soup). Then too there are senior honorary societies for the particularly distinguished. Pledged to an undying loyalty that vanishes as soon as they leave college, the young men from the societies and clubs then marry the young ladies from the finishing schools.

They let Levi Jackson, a Negro and, moreover, a "townie," play football for the Yale team and now he is captain. What is more, he has now turned down membership in two senior societies—Skull and Bones and Scroll and Key—and has joined Berzelius (for the uninitiated we feel obliged to add sic). He has been quoted—it was a frontpage story in the papers—as saying that he is "quite pleased." There are more important zones in which discrimination remains to be fought and abolished, but what has happened to Levi Jackson will make many young men in college feel that the cloud of prejudice may be lifting.

Americans Won't Stoop

"Workers reap the asparagus spears with straight long-handled cutting knives. . . . It looks easy enough, but each time a worker cuts a spear, he has to stoop to pick it up. That means thousands of back-breaking stoops a day. An experienced hand can harvest 500 to 600 pounds in a seven-hour day, but the average worker now, say growers, cuts closer to 350 pounds daily. . . . Growers claim that as pay has risen. efficiency has declined. They trace the beginnings of the trend back to the Exclusion Act of 1934 which halted migration of Filipinos into California. Their average age [when they still could come] was 22 years. Young and energetic, they thought nothing of harvesting 10 acres per man per day. Now. however, many of them are pushing 40, and they don't cover as much ground. . . . This has meant that growers have had to hire other workers, mostly Mexicans, to get their crop in. ... 'There's no doubt about it ... we've got to have a mechanical harvester. With the labor situation what it is, we're up against it." -- from the Wall Street Journal: May 9. By Millard S. Purdy, staff correspondent in Stockton, California.





Civil War in Spain: On July 19, 1936, the uprising is met by a counterattack by labor

The Reporter, June 7, 1949

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Franco: A Dependable Ally?

The record of the Spanish dictator in the last war, including some facts hitherto unpublished, suggests the answer

What were Franco's relations with Hitler and Mussolini in the war? This question still haunts everyone else's relations with Spain today, as if it were necessary to differ about Spain's past role in order to differ about what its present and future role should be. There are those who say that Franco was a servile creature of the Axis, and the democracies should have nothing to do with him. There are those who say that Franco was a victim of circumstances, and all should be forgiven. The sides have one thing in common—an equally passionate belief in half-truths.

Spain was surely not neutral during the war. The Spanish press and radio were violently pro-Axis and anti-democratic. Franco publicly identified himself with Hitler and Mussolini. He offered to fight for them, to save Berlin with a million Spanish "volunteers." Axis submarines took refuge in Spanish ports. Axis destroyers refuelled in Spanish bays. Axis intelligence agents operated freely in Spain. Strategic war materials flowed to Germany. A Spanish division fought on the Eastern Front.

Franco went to the very edge of war. There was only one thing he did not do. He did not fall over. There was a time when Hitler and Mussolini wanted him to intervene. He promised to do so. He went through the motions of preparing to do so. He signed a document saying that he would do so. But he never did. This one purely negative act was Franco's contribution to Hitler's defeat. Franco did a great deal for the Axis, but when he failed to enter the war, he undid it all. In the opinion

of Hitler's Chief of Operations, General Jodl, perhaps in the best position to know, Spain's failure to take the last step into the war was one of the three main reasons Germany did not win.

Both Franco's service to the Axis and Franco's disservice to the Axis are stubborn facts for which there is no lack of evidence. The problem is not which one is true but why both are true.

How was it possible for Franco, who owed his power to Hitler and Mussolini, to disappoint them and survive them? What profound and persistent forces were and are at work?

To find the answers, we have to go back to the last six months of 1940. The French collapse in June, 1940, created the Spanish problem. Both Mussolini and Franco had to wrestle with the same temptation. Neither wanted to stay out of a very short war and neither wanted the risk of a long one. After Dunkerque Franco assured Hitler that he "would be deeply gratified to render you, at any time, such services as you might consider most valuable." A week later, Mussolini declared war on a defeated France. Two days after Mussolini, Franco abandoned benevolent neutrality for "nonbelligerency." On the day Paris fell, June 14, Spanish troops marched into Tangier in violation of an international statute involving Britain and France. And two days after that, Franco almost took the

He sent General Vigón, who was then the Spanish Army's Chief of Staff, to see Hitler and Ribbentrop. Vigón offered Spanish intervention "under certain conditions." There were two categories of conditions. The first was territorial. Franco demanded Gibraltar (from Britain) and Morocco, Oran, the enlargement of Rio de Oro, and colonies in the Gulf of Guinea (from France). The second category was material. Franco asked for arms, especially artillery and planes, and certain supplies, especially oil, coal, and grain.

Hitler was not prepared to give Vigón an immediate answer. He was completely engrossed in the coming armistice with France, which materialized on June 22. Mussolini's daring entrance into a war he considered finished had annoyed the Germans. Franco's bid was even less welcome, and he demanded payment in advance. To Vigón, Hitler did not say yes and did not say no. He praised Franco's intention to attack Gibraltar but he would not be drawn into a discussion of African colonies. He stalled by protesting that he had to talk to Mussolini.

As we now know, the French defeat came so rapidly and unexpectedly, even for the Germans, that Hitler was not quite prepared for the next move. At Dunkerque, he had to make a snap decision whether to chase the British Army across the Channel with the equipment available or to take no chances and drive on Paris. After the fall of Paris, a cluster of even more grandiose objectives opened up. Should he knock Britain out of the war? If so, how? By the direct approach of a landing on the British Isles or the indirect approach of a two-pronged thrust at Gibraltar and Suez? An attack on Soviet Russia? Or a greater German empire in eastern Europe or in central Africa?

Hitler's appetite was big. He decided to try a direct assault on the British Isles, and began to take a new and intense interest in the map of Africa. But, as early as July, 1940, he talked to General Jodl about an attack on Russia in the fall of that same year and had to be prevailed on to postpone it until the

The drawings on these pages are the work of José Bartoli, a Spanish artist and political exile. They depict Spain's last military adventure—the Civil War—and have never been published before.

following spring. And in July he started planning an attack on Gibraltar.

Hitler's first impulse was to cash in on his victory over the great colonial powers. For example, he told Mussolini that he considered the reconstitution of Belgium a possibility. But, he added, "the Congo is lost for Belgium." Ribbentrop tipped off Ciano in more detail. Ribbentrop asked Ciano what Italy's territorial claims were. The latter listed Nice, Corsica, Tunisia, and French Somaliland, and then went on to mention Algeria and Morocco. Surprised by the last two demands, Ribbentrop had to show his hand. He replied that Hitler agreed to the first four but that he was less sure about Algeria and Morocco. To stave off the Italians, Ribbentrop referred to the "now historical ambitions of Germany" in Morocco and even talked at great length about Spain's claims. Without being too definite, he made clear that Germany intended to get back all former African colonies, plus the Belgian Congo and perhaps French West Africa.

These conversations took place on June 18 and 19. In other words, only forty-eight hours after Franco's original offer to intervene "under certain conditions," one of the basic factors of the Spanish problem emerged—the rivalry of Germany, Italy, and Spain

for French Morocco.

Not yet realizing what was afoot, Franco tried to keep his proposal alive. In July he publicly declared that "two million soldiers" were ready to gain command of Gibraltar and to expand

in Africa. In August, Franco repeated his offer to intervene, this time to both Hitler and Mussolini. The latter responded favorably and wrote back that he had known all the time that Franco could not stay out. Hitler merely invited the Spanish Minister of Interior, Ramón Serrano Suñer, to come to Berlin.

Serrano Suñer's role was much more complex than any of the existing versions has cared to admit. Serrano, a thin, sharp, nervous man, first attracted attention before the Spanish Civil War by leading the Catholic political youth movement into the Fascist Falange. That and the circumstance that he was General Franco's brother-in-law laid the basis for his political career. He became head of the Falange, Min-

ister of the Interior, and the most extreme partisan of the Axis in the Spanish government. He was a rather unscrupulous wirepuller, and did not hesitate to campaign for the job of Foreign Minister by getting Mussolini and Ciano to put in a good word for him with Franco.

Serrano made the most inflammatory speeches, whipped up the controlled press, and baited the British Ambassador. Thus, when he accepted the invitation to go to Berlin in the middle of September, it was unanimously assumed that he had been chosen, and not the Foreign Minister, Colonel Beigbeder (who had never got over his nostalgia for the pro-British policy of the Spanish oligarchy), in order to show the proper servility. It was not an unreasonable assumption. It did not happen to be true. Serrano was a Fascist but' the whole concept had been oversimplified to the point of self-mystification. There was room for cross-purposes even among Fascists.

We do not have to guess any more. Serrano Suñer has published his memoirs, Entre Hendaya y Gibraltar, in which his first visit to Berlin fills an entire chapter. We also have the official German version of his conversations, and many other references to it in Count Ciano's diary and in official reports of other Axis meetings. When Serrano left Berlin, he hated the Germans and they despised him.

Serrano himself tells of his talks with Ribbentrop, who acted as if the Spaniard were a minor German official.

First he informed Serrano that Hitler was disgusted with Spain's "equivocal foreign policy." He threatened that the ambiguity of Spanish policy might force Hitler to occupy Spain itself. On one occasion, at Ribbentrop's home, the two stood before a large map of Africa. Ribbentrop pointed to a huge

area comprising the Cameroons, French Equatorial Africa, French Congo, Belgian Congo, Kenya, and Tanganyika—three-quarters of Africa. As long as they were carving up the continent, Serrano asked for a larger hinterland for Spanish Guinea. For once Ribbentrop had nothing to say.

Whatever illusions Serrano still had were stripped from him in the next few minutes. Ribbentrop mentioned that Germany needed bases in French Morocco at Mogador and Agadir. Then, to Serrano's utter consternation, he also demanded a German military base in the Canary Islands, off the west coast of Africa. Serrano protested: "The Canaries are as much a part of Spain as Madrid or Burgos. These bases can be established in the ports of Senegal at St. Louis and Dakar, without resorting to Morocco or our own territory." But Ribbentrop was unimpressed.

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Hitler was no more encouraging. He also preferred to talk about Germany's needs in Africa, not Spain's. By this time the necessity of keeping Britain and the United States out of the island on the western coast of Africa preoccupied him. Serrano finally realized that he had been called to Berlin to give and not to receive.

From Berlin, Serrano went to Rome to tell his troubles to the Italians. Ciano's diary reads: "There is one point in the record of the conversation [with Serrano] which I had to take out of the copy given to the Germans: Serrano's colorful invectives against the Germans, for their absolute lack of tatin dealing with Spain." A few days later, after another talk with Serrano, Ciano added: "Why hadn't he yet seen that for a long time the Germans have had an eye on Morocco?"

The Germans did not realize how disaffected Serrano was personally and what a fearful impression their references to Morocco and the Canary Islands had made. They went ahead with their preparations to storm Gibraltar because they also oversimplified the Spanish position. Serrano himself was a most complex mixture: a Fascist by ideology, a Catholic by devotion, and Italophile by sentiment, and a Germanophobe through experience. He must be the only Fascist in the world who, in his postwar memoirs, still prides himself on being one.

After Serrano Suñer's September visit to Berlin, the maneuvers that went on were those of three swindlers trying to swindle one another.

Having got himself into a very delicate predicament voluntarily, Franco had to begin to play a double game. Serrano was so upset by what he heard in Berlin that he rushed reports to Franco by plane. Franco sent him word on September 21 that "I can hardly avoid alluding to that which

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justly provoked your indignation and regarding which my pen is very reluctant to write." Serrano took this to indicate that Franco shared his own feelings. The very next day, however, Franco sent a totally different kind of message to Hitler. They thought exactly alike, except for "small details," he assured Hitler, the most important detail being Ribbentrop's request for German bases in Morocco. The body of Franco's letter was filled with such warlike declarations as "the first act

in our attack must consist in the occupation of Gibraltar." If some of Franco's letters are taken literally, it is easy to prove that Franco was ready to do anything that Hitler wanted, and it becomes a mystery why he did not. But what Franco wrote, what he said, and what he did were three different things.

Hitler tried to reserve most of Africa for Germany by playing off one satellite against another. To the Italians he talked about Spanish claims, to the Spaniards about the French, and to the French he promised just as much African territory as they then had. In September he gave Serrano the impression that he wanted Spain in the war, but had not quite made up his mind about the division of the spoils. At the end of that same month, he gave Ciano the equally strong impression that he did not want Spain in the war at all. He complained bitterly to Ciano that giving Morocco to Spain would alienate France and invite Britain into North Africa, that Spain wanted something for nothing, that any deal with Spain had to be put down on paper. The worst Hitler could say about the Spaniards was that they were like Jewsand he did.

Mussolini played the role of honest broker; that is, he cheated both sides. He wrote a letter to Franco in August urging him to get into the war. Yet Serrano swears that he told him in September that "Spain should not enter the war." Mussolini's fine hand was most characteristically visible in some advice he gave Hitler in October. Hitler had made it clear that he was willing to give Gibraltar but not Morocco to Spain. Then Mussolini came up with a suggestion which amounted to pretending that they agreed with Spain "in principle" and were willing to give Morocco to Spain "when peace comes," though neither had the slightest intention of doing so if he could help it. This was actually Hitler's strategy when he met Franco for the first and last time at Hendaye on October 23.

And all the trouble was over something which none of them had taken yet. Africa was big, but it was not big enough to satisfy the ambitions of Hitler, Mussolini, and Franco.

Hitler changed his mind at least three times about Britain after Dunkerque. First he expected Britain to give up without more fighting, and he really could not understand why it did not. Then he expected to knock Britain out by a direct attack. When this failed by the middle of October, he came to the conclusion that only the hope of outside aid, especially by Russia, was keeping Britain in the war. This led him to attempt to organize a "grand coalition" to prove to the British that their position was hopeless. For this purpose he made it his business to see Franco, Pétain, and Molotov in succession.

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the oddest of Adolf Hitler's conferences of state. Franco and Serrano Suñer, the latter making his début as Foreign Minister, came to Hitler's special train at the French-Spanish border. The Germans and Spaniards talked at each other for nine hours. For once Hitler tired first. The Spaniards were so exasperating that Hitler later confessed to Mussolini that he "would prefer to have three or four teeth taken out" than go through it again. Apparently Franco and Serrano felt the same. At 2 AM Serrano said that it was "physically impossible" for him to go on. Hitler had to leave to meet Marshal Pétain the following day and empowered Ribbentrop to act in his stead. To Ribbentrop's chagrin neither Franco nor Serrano was there the next morning. They had made a quick getaway, and it was beneath Ribbentrop's dignity to go on with the Under-Secretary of the Spanish Foreign Ministry who showed up as a substitute.

Franco's double-talk at Hendaye was not news to Hitler. Franco had started off with the most unconditional protestations of subservience. "Spain has always been allied with the German people spiritually without any reservation and in complete loyalty." And "in the present war as well, Spain would gladly fight at Germany's side." But there were practical difficulties. Spain

had to prepare the ground for intervention. It was preparing "within its modest possibilities." The grand anticlimax of all this was that "Spain must mark time." To make matters worse, Serrano increased Spain's territorial demands to take in French Catalonia and "frontier rectifications" in the Pyrenees, as well as Oran, and Morocco up to the 20th meridian. Hitler held them off by playing up the risk of alienating France. He implied that Germany did not really want to deny Morocco to Spain; he was merely against "concretely asserting" it at the moment.

To Franco, Hitler talked about the Vichy regime as if he did not have the slightest faith in it; twenty-four hours later at Montoire he was offering Marshal Pétain a junior partnership. Four months later Franco paid Hitler back. Franco personally asked Marshal Pétain to help him dissuade Hitler from crossing Spain to attack Gibraltar. The man who coveted French Morocco had to conspire with the possessor of French Morocco against the unwelcome competition of his own benefactor and putative ally!

The nine hours of wrangling at Hendaye changed nothing. The only concrete result was a secret Spanish-German protocol so obscure that the Spaniards considered it a virtual rejection of their claims. It was this protocol which Serrano never returned to Hen-

daye to sign. It caught up with him the following month.

With the Hitler-Franco meeting at Hendaye, one phase of the Spanish problem came to an end. In this phase it may be argued that for a time Franco was more eager to get into the war, "under certain conditions," than Hitler was to let him in. What would have happened if Hitler had granted these conditions is anyone's guess.

Franco subsequently explained that he had made such exorbitant demands on Hitler in June because he knew that they would be refused. This apology has all the marks of an awkward afterthought. No one had asked Franco to go to all that trouble to stay out of the war. To Hitler, in his triumph, Spain's entrance was a nuisance which he chose to disregard for three months Moreover, when the Spaniards asked for Gibraltar and Morocco, they did not think that they were asking for so much. Franco's territorial ambitions had been an open secret for years, It would be much closer to the truth to say that Spain's original proposal to enter the war surprised the Germans. and Hitler's reluctance to grant their demands surprised the Spaniards.

Western military men may be interested in the reactions of the German High Command on first hearing that it might have Franco Spain as an ally. The unpublished diary of General Halder, the German Chief of Staff, enables us to get the most intimate insight. Halder himself recorded: "Pipedreams: Spain is to be brought into the war (but the economic consequences for that country are ignored)." The German Military Attaché in Spain reported: "The country is racked by conflicts of many kinds, with the social conflicts the most acute, and no constructive and creative forces can be discerned anywhere." Admiral Canaris, the counter-espionage chief, who knew Spain best, had few illusions. After talking to Canaris, Halder wrote: "The consequences of having this unpredictable nation as a partner cannot be calculated. We shall get an ally who will cost us dearly." Halder would have been just as right if he had predicted that they would not get an ally and that the failure would cost even THEODORE DRAPER more dearly.

(This is the first of two articles on Franco's role in the Second World War.)



Bombardment of civilians

The Ruhr: Master or Servant?

Its vast coal reserves—source of its power—can become a basis for peace if placed in the service of Europe



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On the green table between Secretary Acheson and For-eign Commissar Vi-shinsky, as they face shinsky, as they face each other in Anna Gould's pink marble palace in Paris, lies a pawn called Germany which on

closer inspection turns out to be a powerful magnet, exerting its attracting force on either side. Beyond the table, meanwhile, lies a dark mass at present largely out of reach of either side: it is coal, and it comes from-or. rather, stays in-the Ruhr.

The coal is not visible in the discussions, except to the mind's eves of the ministers. But it will inevitably figure centrally in any ultimate decision on what is to be done about Germany in particular or Europe as a whole. For the Ruhr, the Continent's No. 1 steelmaking area, holds this position by virtue of its commanding wealth in coal -a treasure so great that almost 130 million tons of it a year were mined there before the war.

The rest of western continental Europe, meanwhile, is hungry for coal, while many of its states are rich in iron. Without adequate coking coal, their iron cannot be made into steel. And until there is enough steel to go around, Europe cannot attain full productivity and prosperity. It is as simple as that.

Simple, too, is the desire of the Germans to keep their coal and become again the steelmasters of the continent. Of course, if they do, the effects on Europe will again be complex and, in a crisis, crippling. The Ruhr industrial area, history has shown, can make Germany and break western Europe. It could also help make a democratic western Europe-Germany included. All sides agree that there has to be a Ruhr, a big and bustling Ruhr; the conflict is not so much over how big it should be as how sovereign. By nature indestructible, with its bituminous seams out of reach of bombing, the Ruhr remains a giant in the earthsometimes conquered, sometimes conqueror-and the problem is whether this giant is henceforth in fact to be Europe's servant, or once again its master.

In its last issue, The Reporter concluded that the United States and Britain have failed so far to alter effectively the traditional pattern of Ruhr ownership and control; that British and American favoritism toward the old managers of the Ruhr-including many active backers of Nazism-has tended to discourage German reform; that Allied controls, in a time of resurgent German nationalism, have been materially weakened by the decision to turn Ruhr industries back to German hands; and that neither the American plan to restore the Ruhr to private enterprise nor the British plan to socialize it offers realistic safeguards to an apprehensive western Europe. This apprehension dates chiefly from the American decision to restore west-German industry as far as possible to its prewar power, in order to have it "pay its way" and provide a bastion against Communism; and the American willingness to let the Ruhr serve Germany, rather than western Europe, first has brought down upon Washington increasing resentment on the part of continental nations and the European non-Communist, non-German Left.

The main problem of the Ruhr is that while it constitutes one of Europe's greatest physical assets, it has never been fitted into a European economy other than a German-dominated one. Europe needs the Ruhr, but this very fact enables an all-German Ruhr to browbeat and retard the rest of Europe. Artificial, state-sponsored ties have turned Ruhr industry into a colossus designed to reach out across national borders: thus the masters of Ruhr coal and steel, having organized themselves into marketing syndicates with the blessing and even the participation of the German government, in 1926 set up the International Steel Cartel and used their massed power and the help of American investors to dominate it. The direct result of their control over the amount of steel which the industry produced under self-imposed international quotas was to keep French and Belgian production down while theirs went up. Expanding by economic-warfare methods, the Ruhr's biggest combine, Vereinigte Stahlwerke, was producing more steel alone by 1930 than all the French mills put together.

If the cartel structure was the summit of artifice, it might also be said that the very existence of the Ruhr as a dominant steel center (as distinct from a merely coal-producing region) has an artificial side. For neither the Ruhr itself, nor even Germany as a whole, provides more than a fraction of the iron ores it uses. It can be argued that the prewar concentration of over eighteen million tons of annual steel capacity in the Rhenish-Westphalian triangle was strategic far more than it was economic. And therewith we come to the crux of the Ruhr's relationship with the Continent as a whole: the Ruhr may be the heartland of Europe's coal, but all Europe is the heartland for the Ruhr's steel. Who, then, should properly be the tributary of whom?

It is sometimes forgotten that Germany without Lorraine has always ranked relatively low as an iron-ore

producer. In the booming year 1937, for instance, Germany imported almost three-fourths of the iron ore it consumed -34 per cent from Norway and Sweden, 24 from France, and 12 elsewhere. Even before the First World War, when ore-bearing Lorraine was still part of Germany, the Reich imported almost half of its ore. And what it imported was generally of far higher grade than what it possessed, for German ores average only between 30 and 35 per cent iron content as against 60 per cent for Swedish ores and 50 per cent for those of Spain. Germany's dependence on Lorraine, in turn, strongly affected the original placing of the Reich's iron and steel industry; for when the great industrial upswing began after the Reich's consolidation in 1871, the primary center of German blast furnaces was not in the Ruhr at all, but in the iron country of Lorraine. Coke was hauled there from the Ruhr and Saar, and the resulting pig iron was hauled back for fabrication.

Thus a highly economical balance between regions was achieved. But this balance was destroyed by the return of Lorraine to France, which had the paradoxical result of leaving the now-French Lorraine mills begging for German coke, while the Ruhr forged ahead to build its own forests of blast furnaces, bigger than lost Lorraine's.

This plant duplication in the Ruhr stands out as perhaps the most wasteful episode of modern nationalism, for it saddled Europe with an overload of steel capacity and led directly to German rearmament and war. Backed by war profits and huge government indemnities for their lost Lorraine properties, Ruhr steelmasters took advantage of the German inflation to flood the world with cheap German steel products, expanding and integrating their plants as they went. Even before the First World War German policy had been to increase steel capacity far beyond home demand in order to invade markets abroad; by 1922 the same pattern had returned, with Germany good for 21 per cent of world steel production and heavily pushing exports in the hunt for foreign exchange.



How far this expansion exceeded the normal needs of postwar Germany is shown by the fact that the steel capacity assembled in Weimar days was in itself big enough to mount the bulk of Hitler's initial rearmament program. And although the empire-building of the Stinneses, Thyssens, and Flicks in those times led to top-heavy overexpansion, any financial crises ended with a friendly government itself bailing out its steelmasters-on one occasion letting Flick unload on the Treasury his huge holdings in Vereinigte Stahlwerke at three times their market value because he needed cash.

Throughout this story of strategic growth the central thread is coal. Because German steelmakers also ran the German coal-and-coke cartel, they could determine not only the fuel supplies of their French-Belgian-Luxembourgian competitors, but also their costs. And so the heart of the Ruhr problem today remains the control of its coal. Where coal goes, there goes steel production and, with it, the dominating economic voice in western Europe.

Today the immediate control of Ruhr coal rests again in German hands. The newly formed, six-power International Authority over the Ruhr does provide for joint Allied supervision of output and allocation, but it is indirect. The authority has the right to make inspections, but is not actually instructed to do so. It depends for enforcement on the several military governors; and if the United States decides to raise the ceilings on Ruhr steel production an-

other step, and so to reduce the amount of coal available for export, there is nothing the authority can do about it T

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In its allocations the authority is "h take into account the essential needs of Germany"-but the charter that saw this does not specify what these needs are. It is also to consider "the need of the German authorities to afford legitimate protection to the commercial and financial position of Germany in international trade," but the charter does not stop to define what is "legitimate" or what Germany's "position" is to be Meanwhile, German representative are to sit on the authority-able, if the American and British members vote with them, to outvote their French. Belgian, and Luxembourgian neighbors-and Germans are left in command of all the mines and works.

Thus the International Control Authority-which is not fully international, nor really in control, nor actually an authority-represents a compromise, and because of this is in danger of ultimately representing Germany. For de jure remote control exercised by undecided Allies cannot long remain a match for de facto control of the ground by single-minded Germans The authority, an abstraction hovering in the upper air while Americans wrangle with British over whether to reconstitute private ownership in the Ruhr or to socialize it and while Germans gain time to consolidate their grasp, is the final result of four years of Allied policy-making, and as such it merely proves that the Allies have no clear policy at all. But at least the French





have been kept from getting their hands on the Ruhr, and many American and British officials are satisfied with that.

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The problem, though, isn't one of making the Ruhr serve France. It is one of making it serve Europe. It is one of bringing western Germany's immediate revival into line with a long-term goal of strengthening the economies around it-and especially to the west of it. The Anglo-American program based on increasing German self-determination in the Ruhr cannot do it. The mere act of socializing the Ruhr under Germans will not do it (especially since the west-German labor unions, the chief apostles of socialization, endorsed in March the return to power of some of the Third Reich's biggest steelmasters as trustees). German private enterprise-whose pattern and thinking have shown no perceptible change since the days of the Hohenzollerns-will certainly not do it.

The objections to lifting the Ruhr out of German hands and internationalizing it have been repeatedly stated. The first, and most passionate, is based on the supposition that an actual separation of German territory would be made, which would clearly lead to endless German irredentism and unrest. But actually internationalization



would not have to involve transfer of territory; what is at stake is simply the transfer of ownership and control of certain industrial properties.

Second, it is argued that interna-

tional control would inevitably lead to international friction. But the present attempts to get along with something less than such control have led not only to friction but almost to stalemate.

Third, it is argued that international management is either management by nobody or by one dominant power. But the present attempt to avoid joint management has also led to virtual management by one power—the Germans.

Fourth, it is argued that any severance of Ruhr property would cause Germans to identify Allied policy with dismemberment and thus would incline them toward the Soviets. But the Allied plan for setting up a rump west-German state has already identified our policy with dismemberment, and experience has shown that almost every restrictive Allied action is met by Germans with the blackmail warning, "Try it, and we'll go Communist."

Finally, it is argued that an international Ruhr management would inevitably be dominated by French and other west-European steel interests bent on holding down competition from the Ruhr. (This presumably would be in contrast to the presence on the Anglo-American governing board of representatives of American steel interests who are keen on building up the Ruhr.) But why should a new authority have to be dominated by interested business parties at all? Is our own TVA-whose structure in some ways might be applicable to a Ruhr Valley Authoritydominated by such interested parties? Mightn't the new body be so organized as to place civil servants at the topthe type of disinterested, expert officials who are growing prominent in many U.S. government departments?

Opponents of the scheme argue that

its purpose is punitive—a French version of Morgenthau's "pastoralization" plan. Actually, its prime purpose is coal and more coal. After more coal is mined in the Ruhr, and more shipped to neighbors, there is no reason why the Ruhr should not produce more steel.

I he problem is that now Ruhr industrialists really don't want to produce an abundance of coal-not for export, that is, and especially not as coke which would help revive their neighbors' steel industries. They want to concentrate on building up their own steelmaking first. In a statement last year to the Economic Commission for Europe they exaggerated by 30 per cent the amount of coke they would have to keep at home to produce each ton of Ruhr pig iron. Late last year General Clay aided this reluctance to export by proposing that Bizonia's coal export price be raised to a figure higher than Britain's. And in April, Norman Collison, the ECA chief for Germany, supported Germany's desire to reduce rather than increase its solid fuel exports.

But if the mills of France and Luxembourg are to run at capacity, they need about nine million tons of German coke annually—three million tons more than they are now getting. Belgium and Italy, also heavy prewar purchasers, need several million tons as well—amounts which western Germany, which these days has a coking capacity of thirty million tons annually, is unwilling to furnish. Until western mills run full capacity, there is not going to be full European recovery. There appears to be no way of getting the coal other than commandeering it.

Two years ago James P. Warburg suggested the solution of pooling all Europe's coal by placing it under a vast continental authority that would have the power to allocate it. At the London six-power conference last year, American representatives informally put forth still another solution—that of placing all the coal and steel assets of the Ruhr, the Saar, Lorraine, Belgium, and Luxembourg under a similar authority that would own them and distri-





bute dividends to consuming nations according to the size of their purchases. Both proposals have the virtue of seeking a basis for European cooperation that would eventually remove the need for American aid. Both also seek to create an international interest that would supervise the uses to which the Germans put their greatest natural resource. But both fall into the political trap of treating assets of friendly nations in the same manner as those of Germany, and into the economic trap of failing to take special measures for the Ruhr, whose overarching power makes it a thing apart.

Some Gorman steelmakers, alert to discover wavs out from under their present restrictions, have in fact welcomed the idea of internationalizing other countries' basic coal and steel assets along with their own. A governing board on which Germany was represented would give them a voice in the management of other nations' heavy industry, and possibly-in case of voting schisms among the others-even a dominant voice. But this is just what Europe has been trying to overcome. So, if the victors' policy is to meet the test of long-range advancement of western Europe as a whole, there seems to be no alternative to internationalizing Ruhr coal and steel alone-without throwing other nations' resources into the pot.

Such a move might take the form of creating an international holding company in which each western nation occupying or bordering on Germany would own a share equal to that of western Germany. This company would be authorized by international charter and occupation statute to buy out the existing owners of Ruhr coal and steel properties (insofar as their equities are still held to be valid), paying them in non-voting stock. It would have full power to break up coal-and-steel combines into manageable units. It would appoint to posts of immediate supervision over German plant management specialists of other nationalities—perhaps preferably citizens of nations not represented on the governing body. It might be able to finance the further rehabilitation of the Ruhr through a loan from the International Bank, and could also invite private investment in other nonvoting shares. It would then allocate the Ruhr's supply of coal on the basis of the requirements of all member nations, including western Germany. Through the fact of that allocation it would control the size of the Ruhr steel industry and through close managerial control it would harness its use to the requirements of peace.

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Such a Ruhr Authority would of course, rest upon the western occupying nations for its police support. Therefore it raises the question of what form the organization should take when Allied troops finally withdraw. It may seem beyond the bounds of probability now to suggest that the authority might be placed directly under the United Na. tions and protected on that ground by a UN police force. If at the time of Allied withdrawal the UN is still adjudged incapable of such a role, a continuance of control by a regional treaty similar to the Atlantic Pact might be feasible. And there remains the possibility-difficult and perhaps risky, but still not to be written off-of inviting the Soviet Union to join in the determination of Ruhr output, in return for reducing iron-curtain trade barriers and relaxing party dictatorship in the Soviet zone.

Secretary Acheson and Foreign Commissar Vishinsky, as they debate in the plush-and-marble setting of the Avenue Foch, may not get around to considering such a scheme as this. Yet in considering Germany they are dealing with Europe's greatest potential industrial power-and, unless they give themselves over to a desperate rivalry for its favor and allegiance, they are presumably thinking about ways to control it in the interest of a peaceful concert of Europe.

There is a tendency today to hope for peace through political unification, leaving Europe's economic problems to be solved by the Marshall Plan. But any solution that leaves the Ruhr exclusively a German asset, rather than a European asset, by-passes the final issue of economic power and leaves things as they were-with the American people doomed to make up in continuing doles to Europe for its failure to distribute its own resources. If, on the other hand, the statesmen at Paris are seeking a solution that will pacify Europe and, at the same time, solve it knottiest economic problem, they can find it right in the Ruhr.

The Dragon Speaks

Dr. Green, Georgia Klan leader, favors constitutional rights for people whose skins happen to be the same color as his



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"I've never refused to give an interview to a reporter though a lot of them print lies about me," said Dr. Samuel Green, a fifty-nine-year-old Atlanta physician, when I phoned. Dr. Green, who has practiced medicine for thirty-six years, is better known as

the Grand Dragon of the Association of Georgia Klans, the recently revived order of the Ku Klux Klan.

Dr. Green's office in the Peter's Building, near the center of the city, was empty except for two secretaries in white who were eating popcorn and sipping Cokes. The doctor said he had had a busy morning seeing patients, but it was just too blamed hot for them to come downtown in the afternoon. A list on one of the secretary's desks noted the \$1.00 and \$1.50 payments she had taken in from patients. The office was clean; the waiting room had been a little shabby.

The Grand Dragon is a thin-faced man with a narrow mustache. He has deep-set eyes, wears glasses, and smokes cigarettes much of the time. He doesn't drink, he says, but is willing to bet he has "the biggest liquor supply at home for my guests that you ever saw."

I had been told by an Atlanta editor that there never was any trouble getting Dr. Green to talk. The problem was to get him to stop. As if to prove that, the Grand Dragon went on to say that the Klan was growing by leaps and bounds, and not even the disaffection of rebel groups would stop it. "Some men in Columbus and Manchester," he explained, "got two little Klans to pull out. That wasn't a seces-

sion. It was a Bolshevik movement. There were fifty-four of them at Manchester and a hundred forty-four at Columbus. More than half of them have quit now and are begging to come back here.

"They called their organization the 'Original Southern Klans, Inc.' They wanted to tell me how the Klan should be run, and one wanted to be our publicity agent. Off the record, we didn't like the things he proposed. You know, when that group paraded, the papers said they carried shotguns and we don't allow that in the genuine Klan."

The Grand Dragon is proud of the way the Klan has grown in the last couple of years. "We won't say how much that is because we're a secret organization and we don't give out numbers. But I'll tell you this. I've organized twenty Klans in South Carolina in the last six months. I'm chartering two new ones tomorrow night at Orangeburg; one for Orangeburg and one for North. Next week, in Houston County, Georgia, I'm going to charter five new ones in a mass initiation.

"This country, particularly the New Deal," the Grand Dragon said, "has been attempting to go socialistic very fast. The Klan is the only organization really making a fight about it. That's why those who are trying to make the country go socialistic or Communistic are fighting us because they fear our strength.

"To show you how this country is becoming socialistic, I cite Mr. Tom Clark's order in which he, without trial, issued an order to the Navy, Marines, and all government agencies prohibiting the enlistment of any Klansmen or former Klansmen because he had listed the Klan as an organization which has 'adopted a policy of advocating or approving the commission of acts of force and violence to deny others their rights under the Constitution of the United States.'

"It's an unmitigated lie to say that the Association of Georgia Klans ever adopted such a policy. If this order takes away the civil rights of Klansmen we will know that the time has come when the Attorney General of the U. S. has adopted Russian policies. Every man in the Klan has to take an oath." At this point Dr. Green summoned a secretary and asked that I be provided with a written copy of the oath so that I'd get it right. It went:

"I most solemnly assert and affirm, that to the government of the United States of America and any state thereof of which I may become a resident, I sacredly swear an unqualified allegiance above any other and every kind of government in the whole world, and I here and now pledge my life, my property, my vote, and my sacred honor to uphold its flag, its Constitution and con-



stitutional laws, and will protect, defend and enforce same unto death.

"I most solemnly promise and swear that I will always, at all times and in all places, help, aid and assist the duly constituted officers of the law in the proper performance of their legal duties.

"Klansmen," the doctor went on, "pledge never to take the law into their own hands. It's possible that some Klansmen, like some church people, Masons, or any other fraternal order, may have violated their oath to the Klan that they would never take the law in their own hands. The Klan doesn't tolerate this and sees to it that every violator gets banished from the organization.

"I'll tell you something that happened recently, but this is off the record. I got a call from one of the newspapers saying a nigger had been murdered by the Klan in Georgia. Well, I got an investigation going among my men right away. Why, it was an uppity Yankee nigger who had cussed out a white church congregation and was found killed later that night. His wife swore to three different stories about who killed him. One said the men wore masks. Another said they wore robes and no masks, and the third said they were hooded Klansmen. It was a Jew lawyer from the North who got her to say it was the Klan. But you can believe me, there wasn't a man in one of our robes and hoods at the time the nigger was murdered. Some of them may have been Klansmen, but they weren't acting like it."

Two days before I visited Dr. Green, the city council of Atlanta passed an ordinance which outlawed parades with hoods and masks or the use of camouflage except by minors or for specific Dragon said it was a vindictive ordinance and told me his version of how it came to be passed.

"Last March the Junior Chamber of Commerce, made up largely of Jews and Catholics with a Jewish president, tried to introduce an ordinance to prohibit the Klan from having parades using masks, or using masks in halls within the city limits. They couldn't get a single person to introduce it. Then last month they persuaded Councilman Arthur Lindsey to modify it and put it up. Two nights before the vote, ten aldermen and councilmen-I won't say whether they were Klansmen or nottold me positively they would vote against it. The two local newspapers and the Iunior Chamber of Commerce and church heads began a campaign of intimidation on the councilmen and aldermen, all of whom, mind you, are up for election this year. They were threatened they'd be defeated if they voted against the ordinance."

When asked to name the source of the plan to throttle the Klan and its activities, Dr. Green paused and lit a cigarette before answering: "The masterminding against us," he said, "is led by the Anti-Nazi League which is a Christian front for a Jewish outfit; the NAACP; and those who naturally are prejudiced against the Klan. I won't say anything more about who they are, but you know the kind.

"Now we're not anti-Semitic. Some of the best friends I have are Jews. This medical equipment here was bought from a Jew. My wife spends more than a hundred dollars a month on her charge account at Rich's [the city's largest department store], and Rich

sure is a Jew. There are hundreds of Klansmen working there.

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"When I hear a Klansman make a remark against a Jew, I stop him quick. ly. God has given the Jews the punish. ment they deserve. We don't have to help Him. They're getting it enough We're not against anybody. We just want to be left alone. We Southern people wouldn't have any trouble with the Southern Negroes if it were not for the Northern carpetbaggers who are coming south and putting bad ideas into the niggers' heads. I bet Roi Ottlet the nigger reporter, when he was here a few months ago, that wherever Klans are operating, there's ten times less danger of a race riot.

"Part of the Klan's program is to fight to give the Negro better parks, schools, and playgrounds since only by education can we make a better citizen out of the Negro. But we're not willing to accept the Negro as a social equal. See the ninth chapter of Genesis. See if God Himself didn't segregate the races.

"The Jews are trying to fight the battle for the nigger. The Jews have been persecuted so long they're by nature afraid of any organization that they think could start an anti-Semitic fight. That's the reason why they are against us."

Dr. Green boasted that he had been head of the old Klan from 1929 to 1944—the year it disbanded. On organizing the new one, he said, he didn't like the title of Wizard for the chief officer, so he changed it to Grand Dragon. "The Klan's major enemy," he said, "is Communism. It is not opposed to labor unions, only the Communists in them. A good Klansman becomes a union man. It's the Klansman's duty to join the cro, the AFL, or any other union to root out the Communists.



"I'll give you a leaflet about our ideals," he said. "No point in my telling them to you when you can read them for yourself. I wrote them. What I say once I always say again. There's only one code for a Klansman. You've got to be white, a gentile, an American, and a Protestant to be one of us. Now read the rest for yourself. And don't print any lies about me. I just believe in protecting Americanism from those who want to take it away from us. I don't hate anybody and my Klan will never be-allowed to preach hatred."

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The Ideals of the Ku Klux Klan, a five-page booklet which he gave me. tells the character of the organization, its racial ideals, and its ideals of citizenship, patriotism, and Christianity. It says: "The supremacy of the white race must be maintained, or be overwhelmed by the rising tide of color. . . . Our forefathers never intended that [the country] should ever fall into the hands of an inferior race. Every effort to wrest from White Men the management of its affairs in order to transfer it to the control of blacks or any other color, or to permit them to share in its control, is an invasion of our sacred constitutional prerogatives and a violation of divinely established law. Every effort to wrest from the White Man the control of this country must be resisted. No person of the White Race can submit to such efforts without shame.

"We would not rob the colored population of their rights, but we demand that they respect the rights of the White Race in whose country they are permitted to reside. When it comes to the point that they cannot and will not recognize and respect those rights, they must be reminded that this is a White Man's country, so that they will seek for themselves a country more agreeable to their tastes and aspirations."

The booklet calls on all good Americans "to preserve white supremacy. To protect our white womanhood—to uphold the kind of democracy given to us by our fore-fathers. The KU KLUX KLAN is fighting communism and all other isms except pure americanism."

"If you want any more information about us," said the Grand Dragon, "the Klan will willingly provide it." I thanked him and told him I didn't think I needed any more.

-ARTHUR W. HEPNER

Arkansas Paradox

Senator Fulbright straddles a familiar fence: a liberal abroad, a states' righter at home



Sometimes the people of Fayetteville (population: 8,-212), an Ozark community in the northwestern corner of Arkansas, wonder what their favorite son, Bill Fulbright, is up to these days in the Senate. The

latest speech he sent home to his constituents in the scrawny grain-andlumber back-country was a learned twelve-page effort urging the political unification of Europe.

Sometimes people in other regions, who have heard of J. William Fulbright as an outstanding liberal Democrat and internationalist, wonder too. For the other major utterance they have heard him make during the last months was a six-hour filibustering speech that aligned him with Republicans and Dixieerats

Sometimes it may be that even Senator Fulbright himself wonders. He is quite aware of the contradictory images given to the nation by Fulbright, the herald of world peace, and Fulbright, the apologist for bayou bourbons. To some watchers these images cancel one another, leaving a moral blank. To understand how the two can exist side by side is not only to understand the kind of man Fulbright is, but also the kind of conflicts that go into the making of a Senator—specifically a Senator from the South.

The central conflict is that while a Senator must first of all remain an ambassador from his state, obligated to guide and advance its interests, he finds the eyes of Americans fixed on him as a member of the world's most powerful upper house and is confronted with the challenge of championing high national causes. But as a rule he is free to espouse high aims only so long as they do not clash with certain irreducible interests or prejudices of his area or of the dominant group that elected him.

When he appeared on the national scene in 1943 as the freshman Congressman whose Fulbright Resolution mobilized the House to declare itself for American participation in a strong international organization, the newcomer from Fayetteville was hailed as a young knight bearing the excelsior banner of a new world order. Advanced in the following year to the Senate, where today at only forty-four he is rounding out his first term, Fulbright has kept his leadership in avant-garde international causes, and at the same time has lived up-sporadically-to the promise he first gave of being a New Dealer. In 1946 he wrote and pushed through a pioneer Act setting up a system of student exchanges between the U.S. and other countries; last year he proposed an amendment to ECA legislation that would create an "incentive fund" for projects designed to promote European unification. In the House he voted against continuing the Dies Committee; for price controls; for funds for rural electrification; for increased soilconservation moneys; and for retaining the embattled owr's domestic branch. In the Senate he has voted roughly in six cases out of seven with the Administration, bolting on the Taft-Hartley Act (which he supported, before and after the President's veto) and the FEPC and anti-poll-tax bills (which he opposed, as he did the Administration's move to obtain cloture in the Senate). He has fought for public power in the Southwest, and is understood to favor an Arkansas Valley Authority; on the



other hand, in March he introduced an amendment into the Administration's new rent-control bill which substantially weakened it. All this has made some Democratic chiefs look on him as a maverick; Vice-President Barkley is said to have remarked, in his days as Senate majority leader, "I can do business with Bilbo and such, but I can't tell what that fellow Fulbright may be up to next."

Right after the Administration's defeat in the 1946 Congressional elections, Fulbright made the startling proposal that President Truman resign in order to resolve the stalemate that would inevitably occur between the White House and the Republican majority—a suggestion that put him in the President's personal doghouse, where he has remained. But while this notion may have been merely the quixotry of a junior Senator seeking a headline, Fulbright's major excursions from Fair Deal ranks fall into a pattern, even if it is an asymmetrical one.

The State of Arkansas is not only one of America's most rural (with only 22 per cent of its people living in communities of 2,500 or over) but also the second poorest in per-capita income. (Mississippi is at the bottom.) With Ozark uplands at one end and delta lowlands at the other, it forms a ragged meeting-ground of South and West, where small farmers, lumbermen, oil roustabouts, and low-income share-

croppers find themselves drawn together in competition against the mass of even lower-income Negroes who constitute one-third of its population. Arkansans are inborn and removed: only two states (Mississippi and South Carolina) possess a smaller percentage of foreign-born whites and a smaller percentage of homes with telephones. The backwardness and isolation of the state, however, have not always left the Arkansas voter correspondingly backward and isolationist politically. But when the state's dominant rural, nativist, and anti-Negro prejudices come into play, a weird criss-cross of attitudes resultsall of them reflected in the mind of I. William Fulbright.

It was in Arkansas in the early 1930's that America's share-croppers tried for the first time to organize—a fact significant of the impoverishment and restlessness within the state. On the other hand, in the 1940's Arkansas has been the scene of concerted anti-labor activity by backwoods vigilante groups. Fulbright himself has consistently been a champion of small farmers and small enterprise. But equally consistently he has opposed union positions on labor legislation.

To some this suggests confusion; to others, flux; to Fulbright it means tightrope walking. He is free to go as far as he likes in his espousal of internationalism, since Arkansas, a cotton exporter, has traditionally shared the internationalist viewpoint that is the

result of the South's de. sire for low tariffs and of the friendship for Great Britain generated there during the Civil War But he feels unfree, when approaching the South's sacred idol of "white supremacy," to do anything but bow deeply before it-even if this leads him into a filibustering party that endangers the whole Presidential program he has backed, and so gives strength to the Republican conservatives and isolationists whom he has opposed. He must try to balance international cooperation against the poll tax; he speaks in terms of feder-

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alism abroad, and, almost in the same breath, of states' rights at home.

The man who plays this complex role is a handsome, husky former college football player and Rhodes scholar who combines the advantages of an academic background with political earthiness, a resonant voice, and what have been called "the Senate's dreamiest eyes." If his rise has been rapid, so was that of his father-a corn-hog farmer from across the Missouri state line who bought his way into Fayetteville retail business and kept it up until, in the 1930's, the Fulbrights were in command of Fayetteville's bank, newspaper, and a scattering of lumber interests. The newspaper helped propel the younger Fulbright into politics, after a period as lawyer, teacher of law, and head of the University of Arkansas. His deus ex machina was Governor Homer Adkins, who, resenting some things the Fulbright paper had said about him, fired Fulbright from the university presidency, thereby enabling the young man to enter the lists as something of an educational martyr. Raising the twin banners of local educational reform and full United States cooperation with other nations, Fulbright swung himself into Congress and in his first speech denounced the maiden ("globaloney") speech of another freshman, Rep. Clare Boothe Luce, as a "narrow imperialistic policy of grab" which, he said, seemed to him to represent the exact opposite of what our policy should be.

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When Fulbright ran for the Senate in 1944 he campaigned on the same platform of world peace, hammering home to the voters the resolution for an international peace organization which he had sponsored as a Congressman a full year before Dumbarton Oaks. To this day his thesis is that western Europe, in order to be strong and healthy, must be politically and economically unified, and that it is the duty of the Marshall Plan to lead in this direction. But the ECA, he charges, has promoted projects leading to a resurgence of nationalist self-sufficiency. The fault, as he sees it, lies with business-minded ECA chiefs who want to keep economics apart from politics, and with traditionalists like Senator Connally and the State Department, who want to preserve the status quo. The State Department's theory that economic progress will of itself create a tendency toward political union, he says, "is simply not borne out by the facts. On the contrary, our gifts are destroying the principal motive for reform-necessity." Fulbright feels so bitterly about this that in a Senate speech not long ago he declared that it was only "with a troubled conscience and extreme reluctance" that he could vote for further Marshall Plan funds.

His speeches for political unity abroad are fuzzy, but eloquent in describing the inevitable interdependence of Europe. And when he addresses himself to such "home" subjects as the budget, he also emphasizes the interdependence of American foreign and domestic policy. But when he comes to a third main point-namely the interdependence of our own states-his thinking leads him into conflicts. For when he looks at European nations, he sees similarities that transcend national boundaries; when he looks inside the regions of the U. S., he sees-differences. At the last ECA hearings of the Senate Foreign Relations Committee, he asked Secretary Acheson: "Do you think there is much more disparity among any of these [European] countries than there is, for example, between the States of Arkansas and Connecticut?" Somewhat irritably the Secretary answered, "Of course there are much greater differences in Europe than there are between Arkansas and Connecticut." "I doubt that," remarked Fulbright.

The Senator was speaking specifically of differences in per-capita income. But his underlying emphasis was clearly on social divergences as a whole—divergences so wide, his subsequent filibuster speech argued, as to make their preservation an overriding concern of the American people.

It was to be expected that he would invoke traditional Southern states'-rights doctrine in his attack on the proposal to limit the power of a Senate minority to hold up legislation indefinitely. But then—worlds removed from his advocacy of popular union in Europe—he seemed to see tyranny in any attempt by an American majority to delimit a sectional group, and spoke darkly of resisting "the imposition of an arbitrary power by the Executive." He was reiterating almost verbatim the arguments long ago hurled against Jacksonian democracy.

In his projects for European unification, he may find consolation and escape from stubborn disunities at home; but his position is uncomfortable. In the third or fourth hour of his speech Fulbright tried to interpret the Administration's move against the Senate's poll-tax bloc as a move to destroy the Senate itself, and likened it to the "obliteration" of the power of the House of Lords by a British Empire that had lost its "virility." But this left him still facing Senator Knowlanc" question as to whether the unlimited use of the filibuster didn't in effect act as a gag or blockade on the overwhelming majority. All that he could answer was, "There is no great urgency merely to pass bills in order that bills may be passed. . . . The good must always be balanced against the bad. I should call it a minor inconvenience."

It was a major inconvenience to Senator Paul H. Douglas, who pointed out for the Administration the inordinate advantage already enjoyed in the Senate by small Southern and Mountain states as against large, populous Northern ones. With the poll tax in mind, he charged that the filibusterers, "not content with having a minority of the people control the Senate, would go further and have a minority of a minority control it." Senator Fulbright, it happens, is an admirer of Senator Douglas. He favors many of the measures which Douglas would like to have passed. But, rebelling on the one issue of Negro rights, he has helped the side that doesn't want any of them written into law. To him the Negro issue is an irreducible one. On the other hand he declares that the essence of a liberal is a willingness to compromise. That leaves him facing the question, compromise which way? America's liberal forces have already vielded heavily to the special demands of the South. The test facing Fulbright, if he is ever to match his long view abroad with a comparable view at home, is whether he can now help lead the South into yielding a bit in the other direction.



Last Stand in Mississippi



A century ago when John C. Calhoun was championing states' rights against Daniel Webster, the doctrine that they were debating was of supreme importance; the result of the debate—the

compromise on the doctrine—shaped the nation. But last month at the Second Annual Convention of the National States' Rights Committee, held in Jackson, Mississippi, the 325 delegates were like children building a sand castle on the beach. Soon they would be put to bed; presently an indifferent tide would erase their construction.

Ben Laney, former Governor of Arkansas, presented a constitutional amendment to reduce Federal powers. Though it left the control of the armed forces to the United States (together with the cost of Veterans Administration) the amendment proclaimed the right of the states to self-government, insisted on exclusive control over "education, primary and general elections, the qualifications for suffrage, wages, hours and working conditions, zoning, the transfer and ownership of property, or the exercise of police power." Mr. Laney explained that the proposed amendment specifically forbids the United States to enter into any international civil-rights agreement without first obtaining ratification from the State of Mississippi. "Congress shall make no law . . . neither shall any treaty be entered into which conflicts with

the State legislation . . . and State legislation on such subjects shall not be invalidated by any court of the United States."

From these heights Mr. Laney descended to the amendment's provisions for economy—and at once, the Dixiecrat sand castle began to crumble.

State Senator Fred Iones rudely pointed out that the amendment would outlaw TVA, flood control, Federal aid to education, the Federal Barge Line, and Federal aid to farmers, including 90 per cent parity on cotton. Judge Horace Wilkerson, of Birmingham, Alabama, urged Senator Jones not to worry: "Experts," he said, "can reword the bill." Senator Jones continued to worry. Walter Sillers, Speaker of the Mississippi House of Representatives, suggested that the articles of the amendment be severally explained once again to Senator Jones and the rest of the doubtful. This sounded too much like work. Over a hundred delegates quietly filed out.

Many Southerners think that the second annual meeting of the Dixiecrats may be their last. In the South, as anywhere else, opposition to Federal centralization can be intellectually respectable; the doctrine of states' rights released from archaic absolutism, is part of our system of checks and balances. That is why many at first supported the Dixiecrats for ideological reasons. But soon the waters were muddied. Supporters who believed that the Dixiecrats had a legal, moral right to oppose national ownership of

tideland oils were not happy when the Atlanta Constitution openly charged the party with taking campaign funds from the oil interests. Supporter who thought President Truman's civilrights program intolerable interference were not happy when the Dixiecral stand on race relations appeared to make such interference inevitable.

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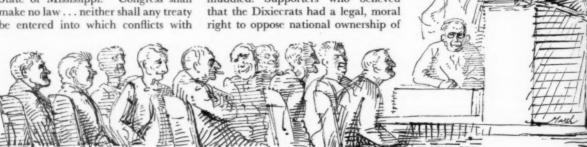
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The Dixiecrat movement has gone sour. It struck at a program that seemed unacceptable to the South; it succeeded only in bringing down political sanctions against the South. Only words are left, such as those spoken by John Temple Graves at a recent Dixiecrat meeting in Dothan, Alabama: "An eternal South. Made of the land and the way our people low it. Made of the climate and what it does to the blood, bone, and bright fancy of those who breathe it. Made of the latitudes and longitudes . . . d the technicolors of autumn . . . the wine-making sun, the love-making moon. . . . " Such incantations are not politically effective in the South of today. Many former Dixiecrats an looking sideways at the Republicans.



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The Shade of John C. Calhoun

The strange performance of the Eightyfirst Congress in the domestic field reminds us emphatically that the United States is a nation of minorities. Each of the occupational groups—the business community, the farmers, the workers, the professional and intellectual classes

-is nothing more than the equivalent of a sectional interest; and each group must make its terms with the rest of the nation the best way it can by the persuasiveness of its argument and the strength of its bargaining position. This is the system to which our geographical expanse and our economic diversity have condemned us. The fact that no single group can easily override the others is unquestionably an importantelement in our liberty.

But the veto power of minorities may also be a threat to our security. In the middle of the twentieth century, it is perilous for a govemment to grow lumbering and sluggish, like the pterodactyl; and, like the pterodactyl, such a government will one day discover that it cannot get off the ground at all. The debate over the anti-civil-rights filibuster, of course, exhibited the revolt of minorities at its most dramatic. But the debates over Taft-Hartley repeal, taxation, and housing represented

much the same sort of minority revolt. A specter is today haunting the United States Congress—the specter of John C. Calhoun, "the cast-iron man," as Harriet Martineau called him, "who looks as if he had never been born, and never could be extinguished."

One reporter, perhaps more intrepid and less biased against ghosts than the

rest, recently ventured to discuss the new Congress with the shade of the famous elder statesman. Did Mr. Calhoun, he began, feel that the Eightyfirst Congress had betrayed the mandate on which a majority of it had been elected in November of 1948?

MASSIE

John Caldwell Calhoun: 1782-1850

"I have always remarked, Sir," the specter replied, "that we must beware of too simple a reading of majorities. The government of the absolute majority is not the government of the people, but the government of the strongest interests, and when not efficiently checked, is the most tyrannical and oppressive that can be devised."

Was Mr. Calhoun not challenging the very foundations of our democracy?

"No, Sir," answered the ancient South Carolinian, with a flicker of his old severity. "You misconceive politics; you misconceive democracy. Whichever interest obtains possession of the

government will, from the nature of things, be in favor of the powers and against the limitations defined by the Constitution. It will resort to every device that can be imagined to remove those restraints. The great and essential point is to maintain the ascendancy of the Constitution over the lawmaking majority."

But how protect the minority against this majority?

"There is one remedy," Calhoun said, "and but one. We must give each minority the power of self-protection. Our system requires a device by which the ruled will be furnished with the means of resisting successfully the tendency on the part of the rulers to oppression and abuse. Power can only be resisted by power. We must, in other words, replace a system of numerical majorities by a system of concurrent majorities, so that each of the great divisions or interests of the country may have either a concurrent voice in making the laws or a veto on their

execution."

Would this device be an organic part of the constitutional system?

"I once thought so," said Calhoun, "but, alas, it proved impracticable. As a Southerner, I had hoped to give each state veto power over legislation. But the consequence of that, as Mr. John Fischer has pointed out, would have

been to create an impasse something like the ones which occur in your present United Nations.

"Today I would, if I were living, be prepared to surrender the constitutional device. In fact, as Mr. Fischer has also pointed out, I have triumphed in spirit, if not in legal form. For what has your system grown to be but a system of concurrent majorities? Are not

your great parties, by their very diversity and interior contradictions, mechanisms by which the process for concurrence begins to be executed before the stage of legislation? And does not your Congress complete the work by permitting each minority to affect all legislation which touches its vital interest? Have you, Sir, read my Disquisition on Government?"

When the reporter said that he had not, the specter, it is said, retired sternly to his home within the Calhoun statue. Indeed, the reporter had no real excuse for his lack of familiarity with Calhoun's thought. Two years ago a firm in New York called Poli Sci Classics reproduced by photography the original edition of A Disquisition on Government. Only a few weeks ago, the second volume of Charles M. Wiltse's able, if perverse, political biography had appeared under the title of John C. Calhoun: Nullifier, 1829-1839 (Bobbs-Merrill). In a few

months Margaret Coit's graceful and sympathetic biography of Calhoun will

appear.

The resurgence of interest in Calhoun is not surprising. The keenest and subtlest intellect of all the practicing politicians of our history, Calhoun concentrated on the problem of preserving minority rights in democratic society. His immediate object, of course, was to protect the slave-holding minority—a fact which blinded historians too long to the merits of his thinking. It was much easier in the angry years after the Civil War to settle for the forbidding image created by Herman von Holst and his indignant generation. Calhoun became a cold fanatic, applying, it was admitted, a formidable intelligence to the services of an evil system; and no one read his political writings.

Professor Wiltse's biography swings back with a vengeance. Under Wiltse's ardent hand, every contemporary of Calhoun's is diminished; and the result is, of course, to diminish the hero himself. If Andrew Jackson is a creature of opportunism and irascibility, and Martin Van Buren a devious political in-



triguer, then Calhoun appears less mighty for having been worsted by them. This picture of Jackson and his Administration, moreover, dims the intellectual background against which Calhoun's political theory assumes its full significance. For the Jacksonians stood for very definite values; and it was in revolt against them that Calhoun's critique achieved its stature.

As expounded by men like George Bancroft, the Jacksonian theories of democracy tended to exalt the numerical majority as infallible. Democracy, Bancroft said, was "eternal justice ruling through the people"; vox populi became, in effect, vox Dei. "To assert 'the Right of Revolution,' " observed Bancroft, "is either to use words without reason, or to assert for the wealth minority, a right to overthrow on democratic institutions." It was this ringing majoritarianism, exultant in its youthful sense of infallibility, which drove the Tocquevilles and Calhoun to look to the fate of minorities. The abolitionist attack on slavery, in other words, was but one case of a general tendency-even if it was the case that

so far as Calhoun was concerned, struck home.

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Calhoun's defense of constitutionalism and vindication of minorities give A Disquisition on Government great contemporary interest He had a brilliant insight into the plurality of interests in modern society. But his own solutions, we have seen, lav in the direction of constitutional gimmicks, based upon the strengthening of states rights and ending in the fartasy of a double executive He construed "interests" too literally in terms of the states of the Union-an identification of economics and geography that came directly, of course, from his preoccupation with slavery. And his more basic error was to take interests literally in the first place-to regard them, that is, as capable of embodiment in the constitutional structure of the state.

Calhoun's pluralism never got beyond interests; it 25sumed that individuals (like slaves) were permanently

tied to one or another of the great divisions. His pluralism, in other words, was incomplete; he did not realize that the individual himself is plural in his lovalties and incapable of exclusive identifcation. Does a Negro steelworker from Alabama vote with his race, his union. his church, or his state? The whole effort to embody the concurrence of minorities in the Constitution was based on a fallacy. Its practical embodment must clearly have pointed in the direction of the corporate state.

It still remains true that Calhoun has won something of a moral, if m an institutional, triumph. The legisttive process in Washington is typically a process of the concurrence of interests Yet in what sense can we regard a Congressional concurrence as a truly national concurrence? For, as history plainly shows, Congress has generally overrepresented organized business and agricultural interests at the expense of the rest of the people. It is this anomaly which explains why strong progressive Presidents always get into fights with Capitol Hill and then appeal over the heads of a recalcitrant Congress to the people whom the Congress was elected to represent.

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The "concurrence of interests," in other words, which safeguarded the filibuster in the Senate and preserved the Taft-Hartley law in the House, is very likely not a true national concurrence. In these cases, the "veto" of minorities, by preventing the government from doing necessary things, can endanger the prestige of free government. Congress must never forget that it pays a price when it thwarts popular desires. It paid that price in 1948; and if it continues its present course, it will very likely compound the interest in 1950.

Calhoun's faith in minorities, if it is to strengthen free government, must apply to all minorities-not only to the richest and most respectable; and the concurrence must be a concurrence of individuals, not only of lobbies. Otherwise special interests can tie the hands of democratic government. A belief in minorities can always decline from a wholesome part of democracy into a selfish obstructionism; just as Calhoun himself, in his lesser moments, degraded his superb affirmation of the constitutional state into a lawyer's skilled defense of a system by which one man could own another.

-ARTHUR SCHLESINGER, JR.



Fort Hill, Calhoun's home

Letters

To The Reporter

Spice of Dissension

To the Editor:—Oh come now! Did you not receive at least one letter of outright criticism?

The letters you published formed an impressive array of unanimous approval. But somehow they lacked the spice of a little dissension which flavors the air on this side of the iron curtain and makes it worth breathing.

Had I written you my thoughts on your first two issues I'm afraid I would not have seen my name in print. But my patience and confidence have now been fully justified. Your third issue has blossomed into the finest magazine I have ever read.

B. DE TURENNE New York

Closer to Home

To the Editor:—I am pleased to report that I found the second much more satisfying than the first issue. Perhaps this is because the subject matter was closer to home. It will take persistence on your part and mine to make a whole issue on foreign affairs palatable.

The article, "The Silent City Room," although broaching a subject which has received a great deal of space recently, was still informative, penetrating, and interestingly written. Might I suggest a permanent feature, for each issue, dealing with the press?

Besides the article on the press, I found the story on the Security Council particularly useful. However, I could have done very well without the "comment" on W. H. Auden's poem. Mr. Auden's poetry has more than enough backbone to stand alone.

I am looking forward to the next issue, and, I hope, many more.

GERALD GOLD Brooklyn

Pro-Taft

To the Editor:—I assume from the editorial in the April 26 issue of *The Reporter* that you regard Senator Vandenberg as the visionary who is able to form the broad policies upon which less talented Senators, like Taft, tally their figures. How can you accredit to Vandenberg this high-minded role when his political philosophy seems to be one of opportunism, albeit fortuitous at times? I refer to his prewar isolationism and his complex attitude toward the filibuster rule which

aided in halting the civil-rights program.

No, Sir, Senator Taft is the man who represents the highest type of statesmanship, for he possesses a fundamental honesty evident in his thought and action. The ideal for a leader is not opportunism, but bedrock honesty.

JACKSON WELSH Bridgeport, Connecticut

Anti-Taft

To the Editor:—Senator Robert A. Taft, addressing the Cleveland City Club Jan. 29, declared his faction of the G.O.P. to be the liberal wing of the Republican party. A progressive element of Republicans disagrees, and the outcome of that controversy will determine the future leadership and policies of the G.O.P.

I oppose Mr. Taft's claim of liberalism on the basis of his political record in the Ohio Assembly as well as in the United States Senate.

In the Ohio primary campaign for United States Senatorship in 1938, Judge Arthur H. Day, opposing Mr. Taft, convinced some of the Ohio voters that the propensities of "taxexpert Robert" effected relief of taxes on wealth, increasing the burden on lower-income groups. The culmination of Mr. Taft's tax revision in the Ohio Assembly was an amendment to the Ohio code in 1929, exempting corporations and public utilities from taxation. Not to be imposed upon by loss of revenues from corporate wealth, real estate followed suit with the four-mill limit of taxation on property. Lack of state revenues were met by the state sales tax on commodities, adding to the burden on the wage earners, particularly those with large families.

The Eightieth Congress, under Taft's leadership, offering a reduction of taxes to include the lower-income group as bait, in reality benefited the upper-income groups disproportionately. Excess-profits taxes were removed. It has been a long struggle of liberal leaders, for over half a century, to distribute taxation on an ability-to-pay basis.

tribute taxation on an ability-to-pay basis.

I differ from Mr. Taft in his contention that unimpeded wealth is necessary for the incentive genius, the profit motive, and free enterprise, which have created our high standard of living.

It is not true that wealth inspired our inventive geniuses. Charles Steinmetz, Edgar S. McFadden, and George Washington. Carver labored from altruistic motives without profit for themselves. Others such as Thomas A. Edison could not rest until they had made

reality of the dreams of their creative minds.

Contrary to a laissez-faire capitalism, the profit motive has been tempered in the United States with a strong social consciousness. Consider the industrialists inspired to share with employees through profit sharing, above-average level of wages, and incentive pay based on the productivity of labor: John Wanamaker; Johnson of Endicott-Johnson Shoe fame; Henry Fords I & II; Bill Jack of Jack and Heintz; Henry Kaiser—not to mention a whole host of industrialists who earnestly strive for the common weal.

As to free enterprise, that is endangered by corporations, pampered with tax exemptions and freed from foreign competition by high tariffs, grown into inonopolies that can squeeze small businesses out of existence. Rather than acting to encourage free enterprise, Mr. Taft's policies endanger it, to wit:

Wendell Willkie presented a free-trade policy with other liberal propositions to the policy committee of the G.O.P. for its platform in the campaign of 1944. Mr. Taft, chairman of the policy committee, rejected the proposals in their entirety.

Again, the Eightieth Congress was asked to extend the reciprocal-trade agreements for three years. Only one year's extension was granted, which virtually nullified the agreements, as manufacturers cannot do business on a one-year basis. It was the Republican faction dominated by Mr. Taft that was responsible for that.

It is in such fundamentals that true liberals know that Mr. Taft is not of their number.

Recently Mr. Taft has made concessions to the liberal wing. He is for certain welfare policies but these are of the dole nature that subjects the unfortunate to the red tape of "charity." I believe he is working to win liberal support but that in actual policies he will continue true to the concepts that have guided his past actions, and those are anything but liberal.

Dora C. Mathews Macedonia, Ohio

Readable

To the Editor:—I saw the first issue of *The Reporter* at a friend's house last evening. I picked it up to leaf through it and found myself reading it, article by article. Whether it is the type, or the layout, or the style, or the approach, or the subject matter, or a combination of all of these—it is a damned interesting and readable magazine.

MELVIN J. FOX Committee for the International Trade Organization Washington

The Truth about Canute

To the Editor:—Having in the last few months been goaded to frenzy by references to King Canute in books and magazines, I decided, on reading page 19 of *The Reporter*, that as a Dane I should try to clear up this lamentable misunderstanding wherever I met it.

King Canute, sickened by the flattery of his courtiers, who went as far as to say that he could, if he chose, turn back the waves of the sea, decided to put them (the courtiers, not the waves) in their place. He therefore ordered his state armchair (the one with gold filigree on it) to be placed on the water's edge at low tide, and demonstrated that in spite of his protests, his feet did indeed get wet.

Now you too know the truth, and will be able to writhe in anguish when you see the story misquoted.

FRAN H. WICHFELD New York

[We are glad to join the Society for the Rehabilitation of King Canute. Old errors die hard: for example the error of considering King Canute as stupid and boastful would be compounded were we to say that our correspondent is the Devil's Advocate in the case. Refer to Fowler's Modern English Usage.]

Habit

To the Editor:—Already I am getting into The Reporter habit, having just bought issue number three from the newsstand. You have come a long way in your first three issues.

If I understand your aim—to provide a thought-provoking magazine for wide circulation throughout the country—I believe you are on the right track. The articles are short and to the point. They still need to be livened up a bit to make them eye-catching, but I trust this will come. The art work is uniformly excellent, especially the use of color in number three.

By now I begin to understand the thematic structure. It occurs to me that you have hit upon an ideal means for making a magazine something more than a motley collection of articles. But the use of the theme could be deadly if not done properly. It will be interesting to see whether you can keep up the pace of developing new themes which will be timely.

Just let me put in a word for the use of signed articles. It seems to me that I have heard more critical comment of *The Reporter* on that score than any other. It may seem trivial, but it promotes the feeling that the writer will stand behind his article if he has his name attached.

KATE MONTGOMERY Philadelphia

A Little Ease, a Loose Shoe

To the Editor:-Alfred Kazin on the Adamses is just kid stuff. Why don't you show American taste being destroyed by the book clubs, American writers all trying to get at least one big-breasted doll into their novels to prove that history is better in bed than in battle? What about Hollywood? It certainly has distorted and debased our world; yet need we attack it? Is it an art form? And why has it fallen both as an art form and as entertainment? How do you stand on television? Soon we shall all have square eyes and walk in total darkness and have a theater always on in our houses. How is the monster television to be controlled? You may tell me this is all in the future issues. But I am sorry to say that people judge a magazine by its present form on the stands, not in proving

I feel just a little touch of the lecturing professor in *The Reporter*, the earnest searcher for the cosmic answer, a feeling of beating the old dogmas with a special stick that you are all too proud of. I feel that a little more ease, a loose shoe, a smile, a pat, and then the making of a point the simpler way, would help. I know it isn't easy. . . .

I could go on like this, but I don't want in In the main I am for you and what you stand for, what you want to do. I think you have a chance. I think it will take harder work more effort to see that everything is part of the whole....

The important thing is that there is a need for what you bope to make of *The Reporter*. It is not easy and it is not simple, not as simple as your first issue. It is fine to write a de Gaulle and billions for defense and feeign policy and the un and education, but to write as you do now, as if they are not and startling stuff, will not do. They are old and tired problems and the average reader with brains is a little numb to them. The problem, your problem, is to find angles thu will say the things that must be said about them in new, startling, and very true ways.

Facts and ideas, you say, not news or opinion. I wonder. Can facts and ideas ever be anything but news and opinion? Will you have to shift your values just a little bit move a little more into the world of flux and lament, and stand as part of the turmoil and shouting, tossing more than just facts and ideas from your basket? I think so....

You can avoid being an exposé magzine, a news magazine for special groups, an art publication up to its neck in Kafta and Picasso and the higher apes. You can avoid being the apple on the stick wallowing in popular subjects, and love love love love to the bobby soxers and the kids playing ballouthe corner, and the little boys who can group like everyone else in America to be President, union leader, or movie star. But I do think you will have to take a stand, even if the only stand you take is never to take a stand.

STEPHEN LONGSTREET Beverly Hills, California

Challenging Theme

To the Editor:—It would appear doubtful if you could have selected a main subject more pertinent than the Bold New Program for your first issue. It is timed most fortunately. Considering space requirements, the article are readable, and quite challenging. "The Continents" might have been improved by taking only one at a time, and doing a better job on each.

The make-up and cover are attractive, especially the inside covers.

"Higher Mathematics" would have been improved in my opinion by elimination of about the three numbered paragraphs.

"The Farmer's in the World" has one going defect. The use of the word Angst in the connotation is just plain silly for even a high-brow audience. As a psychiatric term? needs more explanation for being used, but why use it at all?

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